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REGIONAL AFFAIRS

Arab Unity Considered in Context of Crisis

90AE0307A London *AL-SHARQ AL-AWSAT* in Arabic
30 Aug 90 p 13

[Editorial by Samir 'Atallah: "Arab-Arab Disputes Transcend Every Other Dispute"]

[Text] During the past 50 years, the Arab world has been divided over everything, most especially over Arab unity.

During the past 50 years, the Arab world—east and west—has been more preoccupied by regional, Arab and bilateral disputes than by wars with Israel. Remember, Israel was the one that launched most of these wars, especially the attacks of 1956 and 1967.

During the last half century, the Arab world expended on its Arab wars, civil wars, border disputes, media campaigns and counter-campaigns more than a thousand times what it paid for its cultural struggle, or to develop its cultural identity, or to develop this Arab man that, whoever the winners, was the sole loser.

During the last half century, Europe progressed through economic unity to almost complete unity. Within this continent, and within this unity, there are small countries, such as Luxembourg, which is smaller than Kuwait by far, and there are large countries like Germany. There are poor countries like Poland, and rich countries, such as the Netherlands. This unity was accomplished without a single speech. No one demanded another's territory. No one took another's land, and no one changed another's regime.

Within the European continent, which is unequalled because of the unionist cohesion, the German still speaks German, the Belgian still speaks two languages, and the Netherlander still sells vegetables and herbs [khadar wa hashish]. In this complete unity, France's regime remains socialist, Britain's continues to be a monarchy, Luxembourg is a duchy, and socialism lives, the Spanish monarchy continues, while Italy is a hodgepodge of everything.

No soldier entered another country, and no politician has meddled in the affairs of another country. The unified European Parliament is like a comical mosaic of colors, policies and affiliations, but within a single framework—unity. Unity has become a fact without the use of a slogan at any time, or a poster, speech or campaign against the enemies of unity.

Meanwhile, Arab unity has collapsed everywhere. It made its biggest and most dreadful fall with regard to the union of Egypt and Syria. It collapsed in the unity of Egypt, Syria, and Yemen. It collapsed in the unity of Libya, Egypt, and Syria. It collapsed in the unity of Egypt, Libya, and Sudan; Libya, Sudan, and Syria; Syria, and Iraq; and Syria, Iraq, and Egypt.

It collapsed, or fell into an abyss, when Baghdad thought that unity was forcible annexation, accomplished in a single night. After 30 years of independence, the Kuwaiti suddenly discovered that 100 years of his country's history was merely a summer's dream, or rather, "a great treachery because he was far from his mother country." We should of course note that this Kuwaiti, since independence, knew that there was an embassy of his country in Baghdad and an embassy of Iraq in Kuwait!

Arab unity has fallen everywhere, and the word for unity now is the same as the word for all the dreams of yesterday. Some talk about unity to please themselves, and others talk about unity to please others. The fact is that unity has failed for a simple reason, that it has not been put to the people; it has not been put to the masses.

Of course, naturally, everyone knows that unity is a demand of the masses. No one doubts for a single moment that the Arab masses, especially, are unionist masses in principle, but this does not absolutely mean that these masses had no share in the establishment or downfall of unity, or in putting an end to it merely by actions and forgetfulness.

Therefore instead of unity, unending overt and covert disputes and wars existed among the Arabs. The Arab nations have never had a day without being aware of their concerns and problems, or rather, they have constantly been aware of the problems and concerns of others. For example, all the Arab governments were concerned at one stage or another with reforms in Lebanon!

It had been obvious for some time that the entire Arab world was in a state of political, social, and economic perfection, and that there only remained that small piece known under the name of Lebanon. The Algerian, Libyan, Egyptian, Iraqi and Syrian citizens took part in the attempts to reform the Lebanese corruption!

Of course, the Lebanese was not blameless, because he also tried to "reform" the state of the Arabs and their policies and countries. He did not know that when the time came to exchange courtesies and reciprocity, the Arab brothers would not have newspapers to send him or a firm place that he could own.

The Lebanese war is the worst Arab event in the last 50 years. It became evident in this war that it was possible for some Arabs to kill other Arabs over another's "populated" land for all the reasons of civil war. It also became evident—and this is the worst—that it was possible to confine the Arab-Israeli conflict to "neutral" territory, which is neither a total front, nor an overt front.

In this quagmire, this Lebanese swamp, the Palestinian shifts from pillar to post, from Amman to Beirut, and when he is ousted from Beirut, he goes to Arab countries again. He discovers that the refugee camps still have

massacres, but this time it is not Ariel Sharon, but rather, local and regional groups which, up until yesterday, were fighting by his side.

San'a, Amman, Beirut, the western Sahara, Kuwait! Five Arab conflicts in 50 years, one struggle for each decade. In between this and that, there was the Egyptian-Libyan war that did not happen, the Syrian-Iraqi war that did not occur, the Moroccan-Algerian war that did not happen, and the Syrian-Jordanian war that almost...

However, change in territory is one thing, and change in regime is another. So far, for example, the change in Lebanon is a change in regime only, even if that is dubious, because in principle or officially, Lebanon's borders are still its recognized international boundaries, even though there is Israeli occupation, a UN international force, and even a "border strip," theoretically under the command of a Lebanese officer—at least in name, of course.

The only time that Arab nations tried to change the "territory" of another nation was the day when the regime of Major General Salah Jadid tried to enter Jordanian territory in 1970, or when he in fact did enter it. However, on that day, large forces moved to repel the Syrian tanks headed for Amman.

Richard Nixon, before sending Dean Brown as his ambassador to Jordan in 1970, told him that the fall of Jordan would make war in the Middle East inevitable, and that a war such as that "might kindle World War III." Therefore, on that day, Nixon issued an order to the secretary of defense to send American military aircraft to Jordan. However, the defense secretary now says that Nixon—through this order—wanted to send a message to the Syrians, as well as the Russians, that he was prepared to go as far as possible to oppose them, if the matter necessitated.

A change in territory and borders is neither a regional nor a bilateral matter. Those who compare the American entry into Grenada and Panama, and the Soviet entry into Afghanistan, forget that America entered and left, as did the Soviet Union. Moreover, in both the American and Russian cases, there was an invitation from the legitimate government.

Consequently, the annexation of Kuwait by Iraq has no precedent in the international system that has prevailed since World War II. On the contrary, the small nations that were forcibly annexed by Stalin before and during the war, are now being given their independence and self-determination, in compensation for their long subjugation. The enforced unity established in Eastern Europe is being shattered today, while the voluntary unity in Western Europe is turning into the strongest unity in the world.

...And without a speech or even without a written clause, such as in the clauses of the Arab League, where there is the clear stipulation that every attack against any Arab nation is an attack against all member states.

Where are "all" the member states?

Why are they still divided about everything? If they are divided about past Arab disputes, how can they justify their being divided over the occupation of a country by another Arab country?

The Arab solution...permanently absent!

Commentator Assesses Baghdad's Military Strength

90AE0279A Tel Aviv *HA'ARETZ* in Hebrew
5 Aug 90 p B1

[Article by Ze'ev Schiff]

[Text] What is Iraq's real military strength, and what can we learn from the manner in which its forces operated against Iran? People usually look at figures in situations such as this, but that has led to many mistakes in military history, including the estimate of Israel's forces against the Arabs on the eve of the 6-Day war. Figures alone do not provide a complete picture. They don't tell anything about the level of the forces, their proficiency in various situations, and the capabilities of their commanders. And they certainly don't always reflect the general strategic capability of the respective country to deal with war.

Having said that, we must stress that the figures concerning the Iraqi army are impressive. From a numerical viewpoint, this is the strongest and best armed Arab army. It also has the most advanced Arab military industry.

By the end of the war the Iraqi army numbered 1.2 million men. Since then, about 450,000 soldiers have been released, but about 250,000 new recruits joined. The intention was to continue releasing soldiers, most of them probably from the numerous infantry divisions. On the other hand, there are signs that Iraq intends to continue building up its armored troops. Its one million troops are organized in eight corps. The infantry has about 44 divisions. In addition, there are 30 commando brigades. The armored forces feature eight armored divisions and four or five mechanized divisions.

The quality of these large forces is not uniform. This is something that became apparent in their operations during the war.

After suffering many defeats in the battlefield, the Iraqis proceeded to develop elite forces not unlike the Nazi's Waffen S.S. These are the Republic Guards. They were dispatched to the toughest spots and to spearhead advances. After them came the infantry forces, whose level is far lower. The Republic Guards have their own corps command, which includes three armored divisions, one infantry division, and one division of special forces. If ever an Iraqi expeditionary force is organized against Israel, it will certainly be made up of members of the Republic Guards, commando brigades, and the

mechanized and armored divisions. In other words, the expeditionary force will be selected from the about 18 best divisions.

The figures concerning tanks and artillery are equally impressive, but here, too, the quality is not uniform. Out of approximately 6,000 tanks, for example, only about one quarter are modern tanks. Out of a huge number of guns like 5,000, about 10 percent are self-propelled guns. The decisive factor is the great fire power of the Iraqi army, taking into consideration the ground weapon systems, the air force, and the 150 helicopter gunships.

Experts from various countries have tried to estimate the capability of the Iraqi army by its deployment in war. Eight years of war demonstrated resilience and the ability to absorb losses. We must remember that the army fought mostly defensive battles. The number of attacks mounted was relatively limited, and the Iraqis did not distinguish themselves in many of them. Moreover, they were not facing a serious armored force. The Iraqi air force got high marks for its ability to carry out long range sorties, refuel in the air, and use sophisticated arms. But once again we must remember that it was not fighting a serious air force. Also, the Iraqis could fly almost unimpeded because the Iranians did not have any serious anti-aircraft defense.

Aside from those question marks, the Iraqis clearly distinguished themselves in several areas. First and foremost, they showed impressive engineering skills, especially in defense situations. They were also good at providing logistics services for large divisions in different conditions (desert and mountainous terrain) for long periods of time. Their ability to move forces from one point to another improved markedly. As compared to the 320 tank transporters they had in the Yom Kippur war, today they have about 4,000 transporters. In other words, they have the capability to move some four divisions together. It seems that the Iraqis have also developed good control and observation. And they know how to incorporate chemical weapons in their attacks.

The Iraqi army did not tread water after the war, but was reorganized. It improved its long-range capabilities—beginning with Yugoslav-made Katyushas with a range of about 100 km., all the way to building 50 km. guns. Another objective was to bolster its horizontal flanking capability with the aid of several hundreds of assault helicopters.

Yet another objective was to expand the strategic area. This was done by acquiring attack aircraft, including negotiations for the purchase of MIG-31 and Sukhoi-27 airplanes, and developing their missile capability. The Iraqis are now endeavoring to improve the range of their missiles, to obtain greater accuracy, and to improve their missile heads, including chemical heads.

Real, Not Tactical Change Seen in al-Asad

[Interview by 'Amiram Cohen with Dr. Avraham Sela'; date, place not given]

[Text] Dr. Avraham Sela', lecturer in international relations at the Hebrew University of Jerusalem, reacts to the words of the president of Syria in Egypt.

[Amiram Cohen] Does it appear to you that there is significant innovation in al-Asad's declaration in Alexandria?

[Dr. Avraham Sela'] "Al-Asad did not say totally new things. If we look, we can find these elements in his previous declarations. What is important, and this is what makes the difference, is the context. Al-Asad made his statement in Alexandria, on Egyptian territory, where the flag of Israel flies. He said this as part of complete and unequivocal acceptance of Egypt and reconciliation with its political path.

It is important to understand that al-Asad was severed from Egypt and its path for over a decade, when he initiated and established, in December 1977, what he then termed the steadfastness camp. This was a camp that was formed as an antithesis to Sadat's visit to Jerusalem. I view al-Asad's declaration in Alexandria as the conclusion of a process in which Syria returned to its natural place in the inter-Arab constellation, a traditional constellation, the center of which is Egypt. This is actually the conclusion of a very long period, in which Syria chose to be isolated, while Egypt was establishing its role as a central element in the Jordanian-Iraqi-Egyptian axis. Iraq belonged to this axis as long as the Gulf war continued. I have long forecast that the moment that the war was over, Iraq would return to its traditional aggressive positions and reclaim the role of the most militant element in the arena. So, to say those things particularly in Egypt, particularly in light of the termination of the American dialogue with 'Arafat, particularly in light of the threats of Saddam Husayn - that is the important significance."

[Cohen] Should it be understood that al-Asad is going for peace?

[Sela'] One must also see, and this is no less important, what he did not say, as well as the tone in which the things were said. First, there was no threat or bellicose element to the declaration, and this is definitely an important point. It is true that from a practical perspective there are difficult things there, such as all kinds of preliminary conditions that he sets, but this is not accompanied by threats of war. Second, whoever tells me that al-Asad has spoken of an international conference before and that there is no innovation therein, is essentially wrong. Because until now, al-Asad's international conduct was unrelated to peace. The Syrians always saw this as a conference that would coerce Israel to withdraw, without conducting any direct negotiations whatsoever.

In Alexandria, al-Asad withdrew from his traditional position that the conduct of direct negotiations with Israel was unthinkable.

"We have always known that the Syrians are ready for a conference, but that the conference would not come under the auspices of negotiations, but as an element that bears coercive power. It is very important to remember that the foundation of Mubarak's approach, territories for peace, was an element that al-Asad had never mentioned prior to Alexandria. His maxim was non-belligerence. Not peace, even if all the territories were returned. But from March of this year, it is possible to see that the Syrians are pronouncing the word peace, which had always been forbidden for them. In March, they transferred a clear message via Carter. One must recall that he was a very senior partner in the peace formulation of Camp David, and that al-Asad saw him as a traitor to the Arab cause."

[Cohen] I understand from you that, in your assessment, there is a real change here, more than a tactical declaration.

[Sela'] To me, it is clear that this is much more than tactics. The willingness to negotiate, the talk of peace and all of its components - this constitutes a willingness that I have not seen in the past. This is not tactics. To me, it is totally clear that, ultimately, the determining factor will be how other elements react to and what they will do with this declaration, including, of course, Israel. If there is no response, I estimate that al-Asad will revert to his former ways, and then, of course, we will be able to say that this was merely a tactical declaration.

"Another important element in the declaration is that the Palestinian issue was not mentioned. In my opinion, one must see this in the very wide meaning of processes that Syria is undergoing, i.e. an increasing emphasis on specific Syrian interests. Syria has difficult water problems with Turkey, and it is dragging an external debt of 12 billion dollars, which is tremendous from its perspective. The brunt of the debt is to the Soviet Union, and the significance of the debt is that they will not receive anything more from the Russians. Moreover, while weapons systems are becoming more expensive, the oil states closed the faucets on al-Asad, after he received aid from them for ten years within the framework of his steadfastness front. Al-Asad knows that there will not be economic recovery for the Soviet Union without the West, and he knows that Bush has made the aid contingent upon the cessation of the flow of Soviet weapons to sensitive regions.

"Al-Asad looks around him and sees a different world. He cannot expect economic aid and a weapons supply from the East, and he also no longer has any guarantee that the Soviet Union will maintain its military commitment to Syria. A year and a half ago, the Russians had already made it clear to him that if he initiated a war he should not expect them to stand behind him as they did in 1973, with an air lift and everything else.

"From the perspective of the Arab world, he cannot expect much. The Arab world is even more divided than it was in the 1970s. There is a council for cooperation among the Maghreb states, that have severed themselves almost completely from the conflict; the oil states, since 1981, also have their own council for cooperation, and they have lowered their level of involvement in the conflict.

"Al-Asad looks around him and sees that his only option to continue in the conflict is Saddam Husayn, with whom he has conducted hostile relations since 1981. There is both personal and ideological hostility between them. Each of them views himself as the authentic Ba'ath, and Husayn does not forget that al-Asad supported and assisted Iran in the war. Al-Asad also knows that if he forges an alliance with Iraq, Syria will 'play second fiddle', will be a satellite, because Iraq is bigger, stronger, and more dominant from every perspective. He also understands that he has lost the monopoly over extremism, and he is uncomfortable with the Iraqis constantly breathing this down his neck.

"I see in al-Asad's going to Egypt a significance of choice. And the choice, in my opinion, is that of the political option."

Amman Study Sees 50 Percent Illiteracy in Arab World

90AA0343A Tripoli *AL-MUNTIJUN* in Arabic
24 Jul 90 p 1

[Article: "Eighty Million Illiterates in Arab Countries"]

[Text] A study issued by the Arab Intellectual Assembly in Amman on the future of education in Arab countries reveals that illiterates continue to constitute 50 percent, i.e. there are nearly 80 million illiterates in Arab countries in 1990.

The study points out that illiteracy among women is generally high, amounting to nearly 70 percent in the same year.

The study notes that the number of absolute illiterates is growing and that the danger of illiteracy grows more serious when we add to this number nearly 10 percent who are categorized as being able to read and write. Being able to read and write does not mean that they have mastered reading and writing skills and employ these skills beneficially in their daily life and social affairs.

The study shows that 16 percent of children of compulsory school age, estimated at nearly 9 million children, have no access to schooling because Arab countries cannot accommodate them. It also shows that 20 percent of elementary school children, estimated at nearly 12 million children in 1990, drop out of school before they complete the compulsory education stage and join the armies of adult illiterates. This means that 80 million

adults, 12 million dropouts, and 9 million children who cannot be accommodated in the compulsory education stage are illiterate.

This is in addition to the cultural and technical illiteracy among broad sectors of the population, even among the educated themselves.

PALESTINIAN AFFAIRS

Economic Impact of Gulf Crisis on Territories

90AE0295A Tel Aviv MA'ARIV (Business Supplement)
in Hebrew 28 Aug pp 6-7

[Article by Ester Goldberst, based on remarks by the Deputy Coordinator of Activities in the Territories, Brigadier General Freddie Zakh, and Dr. Eli Sagi', a lecturer in the Economics Department at Tel Aviv University]

[Text] The crisis in the gulf will have a direct, negative impact on the situation of residents of the territories. About 30,000 persons from the territories are liable to lose their jobs in Kuwait. If they return home, they will find it difficult to find alternate work here. If that is not enough, it can also be assumed that the financial support given to the Arabs in the territories and the PLO by Saudi Arabia and other gulf states is liable to cease because of the Palestinians' support of Iraq. The result will be a further decline in the living standard in the territories. The Israeli economy will not feel the decline—because the intifadah has already disconnected it from the territories.

Saddam Husayn's invasion and annexation of Kuwait is liable to result in the demise of the hen that laid the golden eggs for the Arabs of Judaea, Samaria, and the Gaza Strip.

Until the crisis in the Persian Gulf erupted, about 30,000 Palestinian wage-earners from Judaea, Samaria, and Gaza worked in Kuwait. They used to regularly transfer about \$140 million per year to their families in the territories. Some of these funds entered the territories through bank transfers, while others entered directly over the Jordan River crossings. Brigadier General Freddie Zakh, the deputy coordinator of activities in the territories, estimates that \$250 million flows into Judaea, Samaria, and Gaza annually from abroad. Of this amount, 70 percent originates in Kuwait, and another 20 percent comes from Saudi Arabia.

In addition to private money earned in Kuwait that reaches the territories, the Palestinians receive from Kuwait \$20 million to \$30 million per year in grants for financing the activities of different organizations in Judaea, Samaria, and Gaza. These grants have supported, for example, existing hospitals and the construction of new hospitals, and they have been a source of livelihood for charity organizations in the territories.

Additional funds originating in Kuwait are channeled through international organizations, such as the United Nations Relief and Works Agency.

Hence, Saddam Husayn not only stole the Kuwaitis' cash register, he also seized the bank that has financed the Palestinians. Iraq's annexation of Kuwait thus places in question the future of the injection of funds from Kuwait into Judaea, Samaria, and Gaza, and it puts in doubt the transfer of funds from other Gulf states, including Saudi Arabia, which has been the source for about \$50 million per year. Zakh: "It is very probable that, as a result of the crisis, Saudi Arabia will refrain from transferring funds to the population, which openly supports Iraq."

The PLO Is Going To Lose A Lot of Money

At least from an economic standpoint, support of Saddam Husayn, who annexed "the resources of the Arab nation," might prove to be a mistake. Perhaps the Palestinians will achieve success with the Iraqi leader, but they are liable to fail with tens of other Arab states in the Persian Gulf, particularly Saudi Arabia, which have been a source of funds for the Palestinians and the PLO, and which will not be overjoyed about supporting their enemy's supporters. Moreover, the embargo against Iraq, which prevents Iraq from selling its oil, undermines that country's economic base to such an extent that it is doubtful whether it will be able to satisfy the Palestinians' appetite for money.

Despite the close connection between Kuwait's fate and the Palestinians' living standard, events in Iraq itself, never mind Kuwait, have no direct economic affect on the territories, because Palestinians have never in the past found a livelihood in Iraq. Iraq itself has been troubled by unemployment, and has had to contend with serious economic hardships stemming from the protracted war with Iran.

Aside from the open funds that reach Judaea, Samaria, and Gaza from the Arab states, money intended to support the PLO has also flowed into Judaea, Samaria, and Gaza. Iraq and Kuwait supported the PLO, "but the money that reached the PLO did not have a direct economic effect in the field," states Brigadier General Zakh, who estimates that, at present, "the PLO, because of its support of Iraq, is going to lose a lot of money whose source is Saudi Arabia and other gulf states."

An Estimated 10,000 Persons Will Return

Dr. Eli Sagi', a lecturer in the Economics Department at Tel Aviv University, and a researcher in the Economics Models Company, also expects that the probable drying up of the PLO's financing in the territories will have a political impact on events in the territories. "It is claimed that the PLO supports families that are hurt by the intifadah. Thus, the freeze in the PLO's financing sources is likely to affect the intifadah."

Iraq's invasion of Kuwait directly affects the economy in the territories. Therefore, the residents there received the

invasion with mixed feelings. Brig. Gen. Zakh: "On the one hand, we saw support of Saddam Husayn, and on the other, we saw concern for the economic difficulties liable to stem from the invasion."

The harsh picture of thousands of Egyptian refugees, who had found a livelihood in Kuwait, and who are now attempting to escape from the focus of the crisis, bereft of everything, causes Brig. Gen. Zakh to assume that "residents who lost their jobs in Kuwait will soon return to Judaea, Samaria, and Gaza and will seek to be absorbed into the labor circuit in the territories or in Israel. We estimate that about a third of the 30,000 wage-earners will return. The rest will remain in Kuwait despite what happened, or they will find alternate work in the other gulf emirates or elsewhere."

Dr. Eli Sagi: "The possible return of tens of thousands of workers from Kuwait to the territories could have a serious effect. However, I am not sure that there will be such a [comprehensive] exodus of Palestinians. Nevertheless, if a third of the Palestinian labor force in Kuwait returns home and does not find a source of livelihood, we will have another 100,000 mouths at a low-income level."

The tens of thousands of unemployed that are expected in Judaea, Samaria, and Gaza due to the oil crisis in the gulf are not the only burden liable to fall on the Palestinian economy. No less troubling is the significant constriction of Palestinian agricultural and industrial exports. The civil administration has made it clear to the Palestinians that exportation to Iraq through Jordan is prohibited because of the embargo. In this connection, whatever applies to Kuwait following the annexation also applies to Iraq. Thus, Palestinian exports to Kuwait, mainly oranges and olive oil, have come to an end.

Last year, residents of Judaea, Samaria, and Gaza exported \$40 million in agricultural and industrial products via the Jordan River crossings, mainly to the Kingdom of Jordan. Brig. Gen. Zakh: "We are in a slack season. In November, the peak season will begin, which will include the export of citrus and olive oil from Judaea, Samaria, and Gaza. These two products were in the past exported in small quantities to Kuwait and the gulf. Because Kuwait has been annexed to Iraq, it is Iraq as far as we are concerned until otherwise decided. We made it clear to industrialists and to farmers in the territories that we will not allow such exports."

In the civil administration, it is thought that the Palestinians can endure the embargo against exports going to Iraq by way of the bridges over the Jordan River. "We do not expect that the economic effects of the current crisis will cause hunger in the field. The living standard will decline a bit further, but the population will adapt and find alternative sources of livelihood."

Maj. Gen. Zakh's optimism is supported by what is viewed as the adaptability of the residents of the territories to any standard of living. They "put on or lose

weight" according to the need of the hour: "The population is accustomed to declines in its standard of living. The last two and a half years have shown us that there was no hunger in the area. The fact that there was a certain decline in living standards did not affect events related to the intifadah, causing neither an escalation nor a slowdown."

Civil administration staff have learned that when unemployment grants are not paid out, the Arabs produce their own food. When income sources were blocked due to the intifadah, there was an increase in the number of persons engaged in agriculture as an occupation, compared to a drop in the number of such persons that was recorded in the years leading up to the outbreak of the intifadah in 1987. Zakh thinks that there will be a resurgence of agriculture this time as well. "They will work fields that were left fallow in the past. More people will find a livelihood in local agriculture, in services, and in the development of industry." According to him, businessmen are circulating in the territories in search of investments. "Only last week, we approved the establishment of 35 new factories in Judaea and Samaria. We estimate that elements such as the European common market will increase their investment in the area in coordination with the civil administration, a trend that has been in progress for two years, due to their support of the Palestinian issue."

The Palestinians Are Still Very Dependent on Israel

To what extent will the crisis in the territories affect Israel's economy?

Economic difficulties are not discerned in days and weeks. It will take several months for the effects of the crisis in the Persian Gulf to become evident in the field. The only visible immediate effect has been a decline in the last two weeks in the value of the Jordanian dinar in relation to the dollar and the shekel. Brig. Gen. Zakh: "Some in the area had their savings in Kuwaiti dinars. They woke up one morning and found the value of their money in doubt."

In contrast to Brig. Gen. Zakh, Dr. Eli Sagi thinks that the Palestinians were prepared for the loss in the purchasing power of the dinar, because the devaluation of the dinar is not a new phenomenon that began with the Iraqi crisis, but a continuous process, and the residents have already found a refuge in dollars and shekels to preserve the value of their money."

Both Zakh and Sagi attempt to draw analogies from the past regarding the effects of the incidents in the Persian Gulf on the mutual relations between the Palestinian economy and the Israeli economy. Brig. Gen. Freddie Zakh:

"In 1989, compared to 1987, before the intifadah, there was a drop of about 30 percent in purchases from Israel. However, there is still a prominent trade gap favoring Israel on the order of about 800 million shekels per year. Israel's sales to the territories totalled about one billion

shekels in 1989, compared to 1.3 million shekels in 1987. In recent months, we have noted that less attention is being paid to the boycott against Israeli goods in the territories. Israeli goods are returning to the shelves in original or other packaging.

"Overall, the residents of Judaea and Samaria are not economically independent. They are connected by an umbilical cord to Israel's economy regarding almost all components—fuel, electricity, basic goods, and import-export operations via Israel's ports. Even their agriculture is based on Israeli inputs, such as fertilizers, hybrids, and seeds. They are outwardly independent in agriculture, but they nevertheless procure inputs from Israel.

"The close economic connection to Israel was among the factors that did not allow the civil rebellion to succeed. The Arab population in Judaea, Samaria, and Gaza realized that there are no alternatives to the approximately 100,000 jobs in Israel and other economic components that come from Israel."

Dr. Eli Sagi':

"Because of the strength of the connection and the dependency of the Palestinian economy on the Israeli economy, even under the conditions of the intifadah, Palestinians continue to work in Israel. Even the leadership of the intifadah does not prohibit work in Israel. There are especially marked problems. The leadership understands that the Palestinians could not endure a prohibition against working in Israel.

In the 1970s, the living standard in the Palestinian economy rose at a relatively fast rate, due largely to integration with the Israeli economy. Between 1970 and 1980, the Palestinians more than doubled their living standard. Their per capita income jumped from an eighth to a fourth of per capital income in Israel.

In the 1980s, the growth process in the Palestinian economy came to a halt. When the intifadah started about three years ago, per capita income declined. Dr. Sagi':

"The per capita income of residents of the territories increased from 12 percent to 25 percent of per capita income in Israel, and it then declined to 20 percent of per capital income in Israel.

"This entire process was accompanied by integration into the Israeli economy, especially the integration of Palestinian labor into the Israeli economy. In the early 1980s, a third of the labor force in Judaea and Samaria and a half of the labor force in Gaza were employed in Israel. About a fourth to a third of their national income came from working in Israel. During the 1970s, the entire increment to their labor force was absorbed by the Israeli economy." In the 1980s, this process froze."

Since the intifadah, economic activity has declined in the territories. "There has been a drop of about 15 percent at least in income." However, employment data show that there was almost no decline in employment in

the period of the intifadah. There is a only a slight change in the distribution of employed persons, with trend being a shift from employment in Israel toward employment in the territories. "However," Sagi' states in explaining the shift in employment among the Palestinians, "taking into account the relatively rapid demographic growth, an increase in employment should have been expected. The fact that it did not increase means that unemployment increased. Moreover, the number of employed persons did not decline. However, labor inputs, which are the sum of work hours or days, declined by about a fourth to a third. This means that the same number of people worked, but they worked fewer days."

ALGERIA

Trimester Statistics Show Industrial Growth

[First paragraph is EL MOUDJAHID introduction]

90AA0296A Algiers *EL MOUDJAHID* in French
12 Jul 90 p 7

[Text] Compared with the same period in 1989, industrial production recorded a growth rate of 6.5 percent during the first quarter of 1990 (6.8 percent for processing industries), according to a National Statistics Office report on the situation during the first quarter of 1990 released Wednesday morning [11 July].

The document adds that this growth is seen across all sectors of activity, with the exception of the ISMME [expansion unknown] (-5.7 percent). The best performance was registered by light industries, thanks to an improvement in their general level of imports.

Nevertheless, compared with the fourth quarter of 1989, industrial growth is down 0.94 percent due to the negative trend mainly recorded in the mining sector (-4.47 percent), the ISMME (-4.8 percent), and construction materials (-4.8 percent).

Despite a slight drop in the index for the agrofood industries (-0.1 percent), the trend reflected by light industries remains positive, denoting a relative stabilization of imports for that sector of activity, the document says.

For its part, BTP [Building and Public Works] activity experienced a slight decline during the first quarter of 1990, the document shows. A substantial number of enterprises reported a low level of activity: 66 percent for enterprises in secondary government enterprises; 65 percent for government enterprises as a whole; and 47 percent for public works enterprises.

In terms of operating capacity use rates, 35 percent of the enterprises are operating at under 50-percent capacity, while only 16 percent have what is described as an "appreciable" rate.

Problems encountered by BTP enterprises are as follows, the report states, listed in order of importance: supply difficulties; insufficient financial resources; and problems with maintenance and inadequate material means.

BTP enterprises continue to encounter treasury difficulties (87 percent). They result from a slump in activity, slow payments, and a lack of supplier credits.

Employment in the nation's public sector has recorded a substantial increase during the first quarter of 1990 compared with the fourth quarter of 1988, or a rate of increase of 2.47 percent.

An analysis by sector of activity shows a rather uneven trend. The highest rates (for the first quarter of 1990 compared with the fourth quarter of 1988) were recorded by the nonoil BTP (which have shown a revival of activity with an increase in personnel of 6.7 percent), transportation (up 3.57 percent), and services (up 4.23 percent).

In contrast, employment in light industry registered a slight drop during the first quarter of 1990 compared with the fourth quarter of 1989 (up 1.17 percent, compared with 2.96 percent).

Employment in commerce remains under the level achieved during the fourth quarter of 1989. It continues to show a considerable drop since the third quarter of 1989. During the first quarter of 1990, the decline was 1.6 percent compared with 0.89 percent during the fourth quarter of 1989.

Concerning the evolution in consumer prices, the document reports that the general price index showed a strong increase in January 1990, with an upward variation of 7.4 percent compared with the month of December 1989.

The increase was in large part caused by a very substantial increase in prices of food products (12 percent).

Prices dropped slightly in February (down 2.7 percent), but rose again in March (up 1.6 percent), before shooting up in April (4.2), the month of Ramadan.

The rate of inflation for the first four months of 1990 is 15 percent and can be broken down as follows: 16.9 percent for food products; 17.9 percent for clothing and shoes; 16.1 for rent and utilities; 15.1 for furniture; and a 17.6-percent increase in education, culture, and entertainment.

Going on to analyze the evolution in foreign trade, the document states that at the end of the first quarter of 1990, the trade surplus was 1,857,100,000 dinars, a very good performance after the deficit registered during the previous quarter: a total of 2,013,200,000 dinars.

The first quarter was marked by a foreign trade revival. Exports rose 39.2 percent and imports 16.2 percent during that period.

The trend in imports indicates a drop of 12.7 percent in food products and a rather substantial increase in equipment and semifinished industrial products (1.7 and 19.3 percent, respectively).

EGYPT

Gulf Conflict Alleged To Create New Alliance

90AA0335A Cairo *AL-AHRAM AL-DUWALI* in Arabic
19 Sep 90 p 7

[Article by Salah-al-Din Hafiz: "Alliances...Return to Future"]

[Text] Many and serious are the consequences—those that have already materialized and those that will materialize in succession in the days and years to come—emanating from Iraq's invasion of Kuwait and of merging Kuwait with Iraq by the force of arms. This foolish invasion has opened the gates of hell on the Arab region. If the worst consequences are those contradictory propaganda campaigns that have dropped to the level of foul words, ridiculous accusations, and lowly speech, then the most serious consequences are those that have led to the amassment of hundreds of thousands of western troops on the Arab soil and Arab waters of the Gulf in preparation for a devastating war or to back up pressures that may lead to a solution to this complex crisis.

We will try to surpass the supportive, inflammatory, or vituperative information confusion in order to take the poor reader to a quick reading of the future which may be created by this catastrophic crisis. What we mean today is the Arab region's future under the umbrella of the post-crisis arrangements, especially the arrangements projected by the United States through three of its officials, namely President Bush, Secretary of State Baker, and Secretary of Defense Cheney, regarding the need to set up "in the region a defense system and security arrangements that ensure security and stability." This leads us to a phrase in the joint communique issued by the latest Helsinki summit between U.S. President Bush and Soviet President Gorbachev—a phrase which says: "When the current crisis in the Gulf is ended, the two countries will work with the region's states and with others to develop regional security structures and measures to bolster peace and stability."

The gist of the situation is that the United States is now reviving concepts which it had previously projected and tried to implement. It then gradually backed down on those concepts when the region's states opposed them. These concepts call for the creation of a political-military alliance that includes some friendly allies in the region and that necessarily operates under the U.S.-European umbrella. In the past, the objective of such an alliance was to confront the Soviet Union. Now, its objective is to protect U.S. interests, especially oil, Israel, and the important strategic areas.

With his rash invasion of Kuwait, the Iraqi president has offered the United States the opportunity of a lifetime to revive the plan to establish the alliance now that it has proven to the world that the danger to the region no longer comes from the Soviet Union or from Israel but from some of the Arabs themselves!

In this regard, we are eager to explain some specific points:

We are returning to the future, not to the past. In the past, the United States tried in 1955 to set up the Baghdad Pact and to sell Eisenhower's and CENTO's [Central Treaty Organization's] vacuum theory. Former U.S. Secretary of State Alexander Haig then came to propose the theory of "strategic consensus" between the area's states—both Arabs and Israel—and the United States. Now, Washington has, under the pressuring Gulf crisis, revived the attempt to establish a new alliance so that it may, by whatever name, be the future alliance.

The Soviet Union was worried about such alliances in the past because they were aimed directly against it. But it is no longer worried now in light of the restructured relations of the new and comfortable detente.

Under Egypt's leadership, the Arabs fought these alliances with a violence which foiled the alliances and which stopped some Arab states supporting the alliances from joining them. But the crisis of Iraq's invasion of Kuwait not only permitted some states facing the threat to enlist the help of U.S., European, and Arab forces but also to look for a defense guarantee that ensures their stability and survival in the future. Consequently, some Arabs now welcome the creation of a new alliance.

Inasmuch as the Arab and international climate now seems ready to accept the idea of the revival of alliances in the region under the impact of the erupting crisis, we so much find—and this is a personal opinion—that dispersal of the crisis will lead to new results and consequences and that the future will clash with the return of the military-political alliances to the region under the control of the European-U.S. west that is in a consentual alliance with the Soviet east.

Perhaps we are establishing this position of ours on two points:

1. Such an alliance, which will be inevitably led by the west, will include Israel or, at least, will at a certain point meet with the famous U.S.-Israeli strategic alliance treaty. As long as the Palestinian issue remains pending and without a fundamental solution, the Arab-Israeli collision will remain ablaze. We reckon that the Arabs in general and Egypt in particular will not agree to give Israel a leadership role in the region by virtue of its being the U.S. representative and the stepchild of the western civilization that has been implanted in the heart of the Arab Islamic civilization, not to mention its expansionist and oppressive tendencies.

2. Such an alliance, with its new philosophy which will not be very different from the philosophy of the Baghdad Pact or of CENTO, will pose an imminent danger to the role, position, and message of Egypt, the central Arab state. This is why it is not surprising that Egypt fought ferociously against the old alliances and why it is now entitled to be apprehensive about the new alliances. All of the alliances try to diminish Egypt's role and to dwarf its message of assisting its sisters and defending them in the hour of tribulation.

On the basis of this, we, being aware of Egypt's historical sensitivity to these foreign alliances, predict that Egypt, which has warned of the consequences of Iraq's invasion of Iraq and the consequences of violating the forbidden, including the summoning of foreign forces to defend one Arab state against another—we predict that this Egypt will not agree to join these proposed alliances, despite the difference of the concepts and of the regional and international circumstances and despite the pressures.

To put it very frankly, the creation in the region of an alliance supported or led by a foreign country means, regardless of its justifications, abolishing a fundamental role played by Egypt, the central state and the unifier of the Arabs. By virtue of its capability, Egypt leads and is not led. It hastens to defend its sisters, and it cannot be exploited to (let others) defend them. This is why Egypt's historical sense, not to mention its historical caution, has motivated it to make every effort to solve the Gulf crisis peacefully and within an Arab framework. It is also what has motivated it to dispatch its forces to Saudi Arabia, not to be a part of the U.S.-European armada but to prove to both the Arab brothers and the friends that it can operate, defend, and perform its role, but conditionally.

Therefore, we are against pursuing the deluding campaign that seeks to give the impression that the Egyptian position is fully identical to the U.S. and European position vis-a-vis the troop concentration in the Gulf. There are, no doubt, common interests and a special relationship that bind Egypt to the United States. There are also points of agreement between the two sides on the crisis detonated by Iraq's president. But from our viewpoint, it is also certain that there is no total identicity because the strategic interests are not necessarily identical. If we may cite a single example, then we say that Egypt's interest is defined in having Gulf security established by the Arabs and in ending Iraq's invasion of Kuwait promptly. But it is not in Egypt's interest to have Iraq, the people and the homeland, destroyed, in having the foreign forces stay for years, as the U.S. secretary of defense has said, in establishing in the region an alliance led by a country from outside the region, or in giving Israel a pivotal role in this alliance or in any current or future security arrangements. The Egyptian-Israeli collision [tanatuh] will continue to exist for many generations to come and for countless reasons which cannot be enumerated here.

It is natural that an anxious question now jumps in our face, namely: So what is the alternative?

The alternative of which we dream and for which we must work is to rebuild on the debris of the worrisome and inflamed gulf crisis a new and strong Arab security system based on firm political, military, and economic foundations and relying on major Arab states which have their weight, such as Egypt, Syria, Saudi Arabia, Morocco, Algeria, and even a post-Saddam Iraq. This is the only hope for our collective survival under the canopy of a new international system in which the roles and powers are divided and not necessarily identical.

Economic Relations With Unified Germany Discussed

90AA0324A Cairo *AL-AHRAM AL-DUWALI* in Arabic
8 Sep 90 p 5

[Article by Usamah Ghayth, under "Letter From West Germany" rubric: "What Are the Hot Issues in Future Economic Relations Between Egypt and Unified Germany?"]

[Text] Whoever believes in his country and loves it cannot but carry on his shoulders his country's cares and ambitions wherever he goes throughout the countries of the world. His country's sadness keeps him awake. He worries about its present and its future. In time of crisis and trouble, Egypt becomes its children's daily and nightly anxiety. Even when abroad, Egyptians are preoccupied with looking for their country and its people in the eyes of others. They search others' minds and hearts and feelings for the place of their country in events. This is especially true now that the world is in a period of difficult birthgiving, awaiting a new child many of whose features and traits have already taken shape.

In a 2-week tour of West and East Germany, Egypt was my first and last concern, despite the enormous events that Germany is now experiencing, as it puts the final touches on the great event of German unification and prepares for the final proclamation of a unified Germany this October 3rd. It is a great event by all international political and economic measures and criteria. It marks the full rebirth of the German giant, with all that this means in terms of a multifaceted surge and in terms of its impact and influence on international conditions and on their new map and expected balances. In light of all the realities of the new coming age, the German giant represents a principal cornerstone in the international rhythm.

Given the importance of the united German giant, one must examine Egypt's place in this giant's worldwide concerns. One must examine how to influence these concerns, so that Egypt's economic interest can be realized more effectively. Egypt's interest is not limited to direct bilateral relations with a united Germany; it extends to a wide area that includes all the factors of strength and effectiveness that a united Germany represents on the new international map. In particular, there

is the vital role that Germany in fact now plays as a link between East and West. All predictions indicate that the German giant will be the center of the nexus of relations between Eastern Europe, with its old map and the Soviet Union, and Western Europe, with its map as presently constituted and as it is expected to be constituted in light of a united Europe in 1992. More importantly, the German giant will have an extremely prominent and influential role in guiding relations between the developed North, with all its existing and new advanced industrial countries, and the South, with all the developing countries it includes. The aspirations and hopes, and the crises and problems of these countries have reached a critical stage of constriction and inflammation with the failure of Third World development efforts, which have reached a dead end with the world debt crisis and the collapse of economic aid from the major industrial countries.

Indebtedness and Loans

Egypt holds a favored position for West Germany in terms of the yearly value of economic aid it receives. Egypt and India used to rank first among nations benefitting from this aid. A wide range of vitally important projects have been established in Egypt with West German loans. Foremost among these are projects involving fertilizer, iron and steel, electrical power plants, factory modernization programs, grain and fodder production improvement, and training and technical assistance programs. From 1973 to the present, German loans to Egypt averaged about DM 235 million a year. These were loans on easy terms to be repaid over 40 years with a 10-year grace period at simple annual interest of .75 percent. In addition, about DM 33 million came as a nonrepayable grant for technical cooperation.

West Germany is one of Egypt's main important trading partners. The volume of trade amounted to DM 3.384 billion in 1989, against DM 3.293 billion in 1988. The value of trade was DM 2.475 billion in 1987.

Given the importance of economic and trade relations between Egypt and Germany, a series of important points for the present and future emerge. These require review and intensive negotiation to realize Egypt's economic interest. The main points are as follows:

1. West Germany has in fact implemented an overall strategy of waiving a large part of its foreign debts owed by the Third World. The value waived amounts to about DM 9 billion, presently equal to about 17 billion Egyptian pounds. Egypt has not benefitted from these new policies, because they have been limited to the poorest countries in Africa by World Bank standards. These criteria fit the countries of sub-Saharan Africa; they do not fit Egypt, which is considered by World Bank standards to be a middle-income country by the criteria of average annual individual income. Thus, Egypt's debt balance to Germany was subject to rescheduling in 1987 according to the terms of the Paris Club. Egypt must concentrate its efforts on changing these policies, so that

they include debt cancellation and waivers for middle-income countries. The official French position enunciated by French President Francois Mitterrand calls for debt waiver to include middle-income countries, because their economic problems are very severe. This is a point which must be carefully negotiated with a unified Germany.

2. West Germany has halted the guarantees of the Hermes Foundation, which used to provide Egyptian public- and private-sector importers with commercial loans to import from the German market. These amounted to about DM 400 million in some years, but they have been halted until Egypt reaches an agreement with the IMF. Given the present state of the trade balance between the two countries, the halting of these loans could sharply affect Egypt's procurement from the German market of a number of important needed imports. These include DM 478.5 million in machinery, DM 297 million in electronic products, DM 248 million in various components, DM 162 million in iron products, in addition to DM 105 million in meat products, DM 189 million in plastics, chemicals, dyes, and pigments, and DM 45 million in wheat, fertilizer, and phosphates. This shows the importance of imports from West Germany, particularly since this list includes 78 percent of the total value of Egyptian imports in 1989, amounting to DM 1.958 billion, compared to Egyptian exports amounting to only DM 526 million. This is in spite of a marked increase last year in the value of Egyptian exports—an increase of about DM 200 million, or 61.7 percent, compared with 1988. The halting of guarantees from the Hermes Export Guarantee Foundation will lead to a definite curb on German exports to Egypt. This makes it imperative to negotiate quickly on this point, particularly in light of current international circumstances.

3. Although the value of West German external economic aid has continually increased in recent years, rising to DM 9.6 billion in 1989, Egypt's share of this assistance has not increased. Furthermore, a larger proportion of this aid is expected to be directed toward the countries of Eastern Europe, and its distribution is expected to be changed in accordance with new priorities focusing on environmental protection and other issues. Egypt's share will thus be liable to decrease. In fact, Egypt's share of nonrepayable technical aid for 1990 has already been lowered by about DM 3 million. Although the decrease was small, establishment of the principle could in itself subject this aid to constant decrease. The important fact was that it involved the category of nonrepayable grants. Egypt needs intensified negotiation on this point, because united Germany's present and future loan strategy is that countries which have benefitted from a debt waiver will also obtain all new aid in the form of nonrepayable grants. This explains the importance of intensifying efforts to realize the interest of the Egyptian economy.

Egypt's negotiating position with a united Germany is strengthened by the fact that the economic aid policy and

terms agreed on within the framework of the European Community coincide with Egyptian conditions. The rules for granting economic aid include:

- The political stability of receiving countries, the length of time they have enjoyed democracy, respect for human rights, and the extent of the countries' commitment to environmental protection.
- The seriousness of measures taken to combat terrorism and drugs, in addition to general economic conditions.

Egypt's position is strengthened by the fact that private German investments in joint enterprises in Egypt rank first among countries of the European community. They include 69 projects under the internal investment system and four projects under the free zone system.

East Germany

Because united Germany will carry the burden of East Germany's economic cooperation with the countries of the outside world after East Germany is absorbed into Greater Germany, there are additional areas that will allow economic cooperation and trade to broaden its scope greatly in the future. Trade between East Germany and Egypt was estimated at \$62.5 million in 1989. \$45.5 million of this consisted of exports to Egypt, and only \$17 million of imports from Egypt.

Trade between the two countries has dropped to about one-half of its 1985 level, when its value reached \$124.3 million. Given a united Germany and the radical shift in East German economic conditions with the transition to a market economy, enormous efforts will have to be made to replan cooperation and trade with the eastern part of the German market on the basis of free market principles and imperatives. Egyptian industry has major needs that must be provided. In addition, there are various possibilities for exporting Egyptian agricultural products and cotton textiles. There must be a study of the credit facilities that Egypt was obtaining from the GDR—\$100 million over a period of five years under the Agreement for Economic and Technical Cooperation signed between the two countries in 1984. There must be a study of compensations required to Egypt for nonfulfillment by East German companies of their contracts with Egypt because of their present circumstances, especially since a united Germany will pay about DM 5 billion in initial compensation to the Comecon countries to compensate for the nonfulfillment of their contracts and agreements with East Germany.

Gulf Crisis

Now that American President George Bush has proclaimed the need to give emergency economic aid to countries harmed by the Gulf crisis and the Iraqi attack on Kuwait and has called on the major industrial countries to offer emergency aid to these countries, especially Egypt, and given the important role of West Germany now and of a united Germany in determining the size and distribution of this aid, which is to be separate from

current aid programs, intensified direct contact with West German officials is an urgent necessity. Egypt enjoys an excellent position in the German arena, but it is a position that needs more contacts and efforts at the highest level. No relations of friendship last forever. Friendships always need to be reinvigorated and renewed, or else they turn into memories of the recent or remote past.

Egypt requires intensified relations to ensure that it obtains a reasonable and appropriate amount of European aid, especially since the president of the World Bank has hastened to issue his warnings about offering emergency aid to damaged countries. The pretext for his warning was that such aid might lead to laxity by these countries in undertaking the radical structural reform measures demanded by the World Bank and IMF. This is a very dangerous call. It must be confronted quickly and shown not to rest on persuasive arguments. Emergency aid is radically different from structural reform aid and programs. Emergency aid focuses directly on unexpected losses suffered by the economies of a group of countries, with Egypt foremost among them. It has been proposed in the context of a comprehensive logic for international cooperation. This logic is not limited to extending aid to the damaged countries; it extends to include covering the expenses of the international forces present in the region, with the American forces foremost among them.

Public Manufacturing Exports Rise 11 Percent in 1989/90

90AA0271A Cairo *AL-AHRAM AL-DUWALI* in Arabic
29 Jul 90 p 11

[Article by Ahmad al-Attar: "Minister of Industry: Public Sector Manufactured Output Valued at 15.836 Billion Pounds. Exports Grow by 11 Percent to 2.218 Billion Pounds"]

[Text] The value of public sector manufactured output rose last year (1989/90 ending 30 Jun) to 15.836 billion pounds from 14.272 billion pounds a year earlier (1988/89). This is an increase of 1.564 billion pounds or 11 percent. Industrial public sector exports also increased by 217 million pounds, or 11 percent, from 2.001 billion pounds in 1988/89 to 2.218 billion pounds last year.

Minister of Industry engineer Muhammad 'Abdal-Wahab says that of last year's output, the spinning and weaving sector accounted for 3.954 billion pounds, an increase of 21 percent from 3.282 billion pounds a year earlier; the food processing sector accounted for 5.361 billion pounds, up eight percent from 4.980 billion pounds in the previous year; the chemical industries sector 2.224 billion pounds, an increase of 13 percent from 1.974 million pounds; engineering industries rose by six percent from 1.676 billion pounds in 1988/89 to 1.784 billion pounds; mineral industries rose by four percent from 2.128 billion pounds to 2.220 billion; while the mining and thermal sector grew by 20 percent from 243 million pounds to 292 million pounds.

Of industrial public sector exports in 89/90, the spinning and weaving sector accounted for 1.129 billion pounds for an increase of 27 percent from 886 million pounds in 1988/89; food exports climbed to 124 million pounds for an increase of 35 percent from 92 million pounds; exports by chemical industries amounted to 109 million pounds, up 39 percent from 78 million pounds; the engineering industries sector logged an increase of two percent from 129 million pounds in 1988/89 to 131 million pounds; mineral industries exported products worth 697 million pounds while the mining and thermal sector recorded exports valued at 28 million pounds, by 15 percent from 25 million pounds in the previous year.

The minister of industry emphasized that median worker productivity increased from 2,172 pounds a month in 1988/89 to 2,422 pounds a month in 1989/90, while the median monthly wage rose from 278 pounds in 1988/89 to 289 pounds last year.

Engineer Muhammad 'Abd-al-Wahab extrapolates from those figures that:

1. Industrial public sector companies boosted output last year by 1.564 billion pounds as they endeavored to supply domestic needs.
2. The rise in output contributed to the growth of industrial exports.

World prices of two major industrial exports, aluminum and ferrosilicon, have been soft but we were able not only to make up for their lower export revenues but also to increase the value of industrial exports by 217 million pounds, or 11 percent, by boosting the volume of several other industrial exports.

3. The public sector accomplished a substantial rise in the production of most industrial goods in 1989/90, meeting demand and creating market stability to the extent possible.

Manufactured goods whose output increased included blankets which realized a six percent increase to 3.25 million units; cotton and mixed weaves which rose four percent to 259,044 tons; bath soap production increased by 18 percent to 687 tons; dry cheese increased by 77 percent to 3,028 tons; industrial cleaners rose by 21 percent to 780 tons; superphosphate fertilizer production was up by seven percent to 1,920,354 tons; liquid chlorine increased by 25 percent to 10,486 tons; color television production soared by 70 percent to 297,395 units; radio-cassettes increased by 36 percent to 58,726 units; and the production of florescent bulbs jumped by 66 percent to 6.41 million units.

Other industrial products whose output increased last year included 50-diameter cast iron sanitary piping which increased by 7 percent to 2,899 tons; hot tape [shara'it sakhin] whose output increased by 5 percent to 208,027 tons; lead oxide rose by seven percent to 2,899 tons; high-quality aluminum discs, blocks, and rolls increased by six percent to 19,008 tons; aluminum foil

output increased by five percent to 2,699 tons; phosphates jumped by 14 percent to 886,911 tons; clay bricks rose by 23 percent to 9.533 million pieces; sanitary equipment increased by 10 percent to 6,941 tons; household porcelain goods increased by four percent to 1,478 tons; the production of etched sheet glass rose by four percent to 11,008 tons; the output of transparent sheet glass rose by 31 percent to 14,993 tons; and ceramics increased by 16 percent to 14,516 tons.

New Free Zones Part of Investment-Boosting Strategy

90AA0274A London *AL-DUSTUR* in Arabic
13 Aug 90 pp 27-28

[Article by Ahmad 'Abd-al-Jawad: "New Free Zones and Door Open to Importation in Egypt. Priority to Private Sector"]

[Excerpts] [passages omitted]

The current stage that the Egyptian economy has embarked on relies on support for industrial projects set up in Egypt by the private sector in the early eighties to satisfy the local market and to attract foreign investments to stimulate production in Egypt.

The government is working to increase the volume of the local components of all the various Egyptian products to reduce reliance on foreign imports. In this framework, high-level meetings were recently held to coordinate between the investment companies in Egypt, the Ministry of Military Production, and the Arab Industrialization Organization to agree on raising the volume of local components of machinery and spare parts needed by the 167 factories established during the eighties. Five industrial groups with local components ranging from 75, 60, 50, 40, and 30 percent have been identified to obtain their requirements locally from domestic parties.

The new investment law, No. 230 of 1989, has been enacted to solve the investment companies' problem of growing foreign debts in foreign currencies. The new law allows Egyptian, Arab, and foreign owners of capital to buy these companies' debts in Egyptian pounds. This is provided that the money is used for investment projects. This would solve the problem of 20 percent of the total number of investment companies in Egypt by enabling them to sell their debts and improve their economic performance after many projects became almost insolvent due to a liquidity crisis and growing debts.

It also gives buyers of these debts many privileges, including a discount on the total purchase value, remittance of profits abroad in foreign currency, and the privilege of transferring their capital to another activity five years after the purchase. This, according to Dr. Muhyi-al-Din al-Gharib, president of the General Investment Agency's executive apparatus, will achieve two goals:

- Transfer part of the foreign currency debts to private projects. This represents 20 percent of the govern-

ment's total foreign debts and would have a positive impact on the Egyptian balance of payment.

- Reinvest the money inside Egypt, thus providing a greater investment capacity and new investment and job opportunities. This is in addition to attracting foreign capital to Egypt instead of having investors turn to foreign markets to invest their money.

Investors will not get the privileges provided by the new law in advance, as is the case in the investment movement Saudi Arabia is now witnessing. Rather, the investor will receive these privileges following his success in running his project and the realization of profits domestically so that the Egyptian government may ward off the transfer of a large portion of the total profits realized in Egypt for speculation and smuggling abroad, as was the case during the first half of the eighties.

In his statement, Egyptian Prime Minister 'Atif Sidqi emphasized that the government has opened the door for unrestricted investment, giving investors the right to operate in all production fields besides imports and exports. Work is allowed in all the various fields except a few projects listed in a negative schedule to be announced in mid-August, which contain projects closed to private sector investment. Most of these projects are related to strategic industries that require immense investments beyond the private sector's capabilities that will be shouldered by the government. The private sector will benefit from these projects by setting up supplemental projects for the products of these giant industries such as forged and galvanized iron, cement, and others.

Even though Egyptian businessmen and the private sector have hailed the government's economic trends, they still have reservations about two articles in the investment law: Article 9 that restricts the pricing of investment company products; and Article 20 that provides that project employees have the right to receive no less than 10 percent of the new profits without a ceiling.

Businessmen believe that these two articles hinder investment in Egypt. Nevertheless, the Egyptian Businessmen Association has announced its willingness to take on 5 billion Egyptian pounds of the government's total investments for the last two years, a 150 percent increase over the annual rate of private sector investments for the last five years. Ministry of Economy figures show that the total number of investment projects approved as of the end of 1989 is 1,701 projects at an investment cost of 19 billion pounds and with a capital of 9.5 billion pounds.

Egyptian capital contribution accounts for 64 percent of the total amount of money invested, against 19 percent for Arab capital and 17 percent for foreign capital.

Projects that have gone into actual production represent 58 percent of the total projects approved, and this rate is expected to rise to 70 percent during the current year.

A legal opinion recently issued by the Egyptian Council of State grants investors who undertake new expansion in their factories or production units an additional 5-year tax incentive. This is provided that such expansions are done by increasing the project's capital and fixed assets without using loans. Hence, the tax-incentive period is raised to 10 years for projects set up in cities and to 15 years for those set up in free zones.

Furthermore, two new free zones are under construction in Damietta and Cairo Airport. The Damietta free zone will depend on the storage business, lumber in particular, to lure back projects that moved from Egypt to Cyprus in the last two years when free zone storage licenses were canceled in Egypt causing millions of dollars in lost revenues.

Along the foreign trade line, the coming weeks will witness several meetings between EEC ministers and the Egyptian government and major investors in Egypt to enact some new laws that will give the private sector total freedom in the import and export of various commodities and to reexamine the share of the private and public sectors in foreign trade. The public sector used to monopolize 70 percent of the general foreign trade operations and throughout the eighties it concluded and implemented parity deals with other nations. However, the private sector will take over at least 40 percent of these trade parity deals and its foreign trade share is expected to rise to 60 percent in the next two years.

Businessmen Unify Organizations To Deal With Government

90AA0318A London AL-TADAMUN in Arabic
27 Aug 90 p 26

[Article by 'Abd-al-Qadir Shuhayb: "Egyptian Businessmen—Traders and Manufacturers, Importers and Exporters—Announce Unity of Their Organizations.—Against the Government"]

[Text] Egyptian businessmen have decided to announce a kind of confederation among themselves and their many different organizations. This is to be done by creating a consolidated organization among them to bring together seven organizations. It will coordinate their positions and unite their efforts, particularly during the present period, now that circumstances are favorable for widening the scope of businessmen's participation in the Egyptian economy and increasing the size of their activities. Conflicting opinions and positions among their organizations had been one of the reasons hindering a widening of their role in Egyptian society.

The businessmen's decision came in response to advice by the Egyptian government to senior businessmen. The advice gave them the choice of uniting their many different organizations or creating a new consolidated organization to coordinate among these organizations. The government will thus be able to negotiate with a single business representative instead of many representatives with often contradictory views, demands, and

proposals on various economic decisions in their meetings with the government, particularly on decisions directly related to the interests of businessmen. Such decisions include interest rates on bank deposits and loans, import-export laws and regulations, customs and tax policies, and foreign exchange rate policies.

This advice was given because ministers in Dr. 'Atif Sidqi's government saw that the many different businessmen's organizations could not agree on a single view during consultations with them before or after the issuance of economic decisions. This is because these organizations are group-oriented in nature and represent various groups of businessmen. The Federation of Chambers of Commerce, for example, represents importers, the businessmen's associations represent investors in various private-sector fields, and the General Federation of Industries represents only investors in the field of industry.

Disagreements and conflicts have recently increased among these organizations on many issues that have been raised. These issues include the sale of certain public-sector installations, unification of exchange rates, review of customs protection for certain domestic establishments, raising interest rates on deposits, and other questions on which there is now a great deal of discussion and debate in Egypt.

Leaders of seven different organizations formed by businessmen in Egypt during the past years responded to the government's advice. They include: Sa'id al-Tawil, head of the Cairo Association of Businessmen; 'Adil Jazza'ir, head of the Federation of Industries; Mahmud al-'Arabi, head of the Federation of Chambers of Commerce; Muhammad Rajab, head of the Investors' Association in 10th-of-Ramadan City; and Major General Ahmad 'Arafah, head of the Investors' Association in 6th-of-October City. These men are now meeting frequently to consult and to discuss means for coordination among themselves and their various organizations. At one of these meetings they agreed to create for themselves a single organization to oversee the desired process of coordination among them. This organization will serve as a general confederation for them. Based on the direction of the preliminary consultations, all businessmen's organizations in Egypt are expected to participate in this confederation. These include: the General Federation of Chambers of Commerce, the General Federation of Industries, the Cairo Association of Businessmen, the Alexandria Association of Businessmen, the Investors' Association in 10th-of-Ramadan City, the Investors' Association in 6th-of-October City, and the General Federation of Investors. As agreed by the business leaders, the new unified organization will not abolish the independent bodies of the seven participating businessmen's organizations; it will merely strive to unify or bring their views closer together and coordinate the divergent positions of these different organizations.

Discussions and negotiations are now under way among business leaders concerning the form of their prospective

unified organization and the selection of a joint leadership for the new united federation that will coordinate among the seven participating organizations. The leadership will have the task of implementing this coordination. No organization is to take its own position or present a proposal before it is discussed within the unified federation. If possible, a single view will be agreed on among the leaders of the participating organizations.

It has been proposed that the seven organization leaders should take turns in holding the leadership of the united federation, so that the federation does not fall under the control of any of the organizations. The role of the united leadership will be limited to organizing consultations to coordinate positions. The leadership will not be able to make decisions on its own without going back to the participating organizations.

Business leaders participating in the consultations have not yet decided how membership in the united federation is to be organized—whether individual memberships will be allowed in addition to organization memberships, or whether membership will be limited to these organizations, and whether other formations of the unified federation will be established. Preliminary indications from the ongoing consultations among business leaders show an intention to limit membership to organizations and not to create new formations at present, with the exception of branch leaderships in the Egyptian governorates to oversee practical coordination among the seven different businessmen's organizations.

Egyptian government circles are optimistic about this step that Egyptian businessmen have decided to take, aiming at creating for themselves a unified organization to coordinate their conflicting positions. The organization will relieve the government of conflict and disagreement among businessmen.

Egyptian businessmen's circles feel that creating a unified organization for themselves will strengthen their influence in society, their negotiating strength with government representatives, and their role in the Egyptian economy. This will enable them to obtain various credits and advantages.

One should note that Egypt is now witnessing a decided businessmen's awakening. This is embodied not only in an increase in investments carried out by them in Egypt, but also in their information activity in the form of conferences, conventions, and seminars. Egyptian businessmen are funding several research centers. Perhaps the most prominent of these is the Middle East Studies Center funded by the Egyptian businessman Ibrahim Kamil and directed by Salah Basyuni, Egypt's former ambassador to the Soviet Union.

Observers have also noticed activity by businessmen aimed at establishing and founding a new political party to speak for them, since they believe that the existing right-wing parties in Egypt do not properly represent them. At the same time, the name of a well-known

Egyptian businessman is being mentioned in rumors as a successor to Dr. 'Atif Sidqi in the prime ministry following the coming parliamentary elections.

Economic Impact of Homegrown Drug Trade Assessed

90AA0306B London *AL-TADAMUN* in Arabic
27 Aug 90 p 21

[Article by 'Adil al-Jawhari: "Egyptian Planes and Tanks To Fight 'Poppies' Between Asyut Mountains and Qina Caverns"]

[Text] With tanks, planes, and armored vehicles, a new war has begun between the Egyptian security agencies and the drug emperors in Upper Egypt's remotest governorates. In the caverns of Asyut's western mountain, more than 600 central security officers and troops have taken part in bloody battles to destroy the dens of drug traffickers who cultivate poppies and who traffic in hashish and opium. The Egyptian security forces have been compelled to launch a large-scale campaign to purge the dens that are dispersed among Upper Egypt's high mountains and among the visible poppy fields and poppy fields concealed among other crops.

Since 1966 when Egyptian helicopters attacked the rocky areas of Bilbays Desert in al-Sharqiyah Governorate where traffickers used to hide and when armored units of the armed forces stormed Bilbays Desert on the instructions of President Jamal 'Abd-al-Nasir to arrest drug traffickers who concealed drugs in the bellies of their camels—since that date, Egypt has not seen an armed confrontation against the drug emperors like the confrontation Asyut Governorate witnessed last July when Major General Muhammad 'Abd-al-Halim Musa, the Egyptian minister of interior, decided to destroy one of the most important drug production and distribution centers in Egypt. The minister instructed a police battalion, supported by paratroopers and an aircraft to determine the positions of drug traffickers and smugglers in the mountains, to occupy these positions. The campaign commanders were compelled to use wireless equipment to synchronize the assault of the attacking forces on more than 15 smuggling positions. The campaign, carried out in mountainous terrain overlooking the city of Asyut, was not easy. The police forces faced violent resistance from drug traffickers who relied on "mercenary" highwaymen and gangsters who had escaped justice to protect their poppy farms and drug caches in the valleys and the mountains. The successive campaigns launched by the Egyptian police from last January to the end of July resulted in the seizure of 1,690,000 poppy plants in scattered lands with a total area of 830 feddans. The security campaign extended to the governorates of Qina and Sawhaj and then to Bani Suwayf. Security circles have said that some smugglers resorted to Jabal Maydum in Bani Suwayf to stay clear of the Egyptian security forces. But the campaign extended to Jabal Maydum and resulted in the arrest of more than

120 prominent drug traffickers and outlaws. The campaign also seized vast fields cultivated with poppy—a narcotic plant whose cultivation has spread in the past 10 years and which is used to produce crude opium. This opium is then filled in special capsules and treated with chemicals to produce a variety of narcotics, the best known of which are opium and heroin.

Fall is the best season for cultivating this narcotic plant. Cultivation begins in October and the crop is harvested in January. This is the time which the security forces ordinarily choose to launch their armed offensive against lands cultivated with poppy. This crop can be cultivated among other regular crops, such as corn and sugarcane which have long stems that allow the narcotic crops to be concealed. In Sinai and in the desert extending from the city of Ismailia to al-Sharqiyah Governorate, i.e. in an area stretching for 150 km, a new kind of narcotic plant, namely Indian hemp from which marijuana is produced, has been cultivated successfully. This drug is used by the social classes at the lower end of the social ladder. The attempts made by some bedouins to cultivate the coca plant, which produces the narcotic cocaine, in Egypt have been a total failure. The cultivation of this crop is still confined to the Andes Plateau in South America.

If Egypt has succeeded to a large extent in confronting the international smuggling gangs, especially the "Israeli" gangs which sneak through Rafah and the Sinai Desert, then poppy cultivation and traffic in Upper Egypt cost the government vast sums at a time when Egypt needs foreign and domestic currency to confront the stifling economic crisis.

Some field studies estimate the sums Egypt spends on importing drugs at \$1.5 billion [annually] whereas other studies estimate the volume of narcotic crop cultivation and traffic in Upper Egypt at \$500 million annually. This is a very high figure for an illicit underground activity in a developing country making its way toward development. Dr. Wajih Shandi, an ex-minister of economy, has said in this regard that this figure equals the value of Egypt's commodity exports, excluding oil, which amount to 1.5 billion pounds. The figure exceeds the Suez Canal revenues, even after the increase in canal fees. It also exceeds the revenues from tourism and equals the wages of the public sector workers. It surpasses the sum the state collects from general revenue taxes and exceeds the sum Egypt gets in U.S. military assistance and aid, amounting to \$1.395 billion. The sum generated by drug activity amounts to twofold the U.S. economic aid Egypt gets (\$750 million). It also amounts to more than twofold what Egypt got from the World Bank (\$700 million) to make up for the balance of payments deficit in the 1984-87 period.

The sum of money the state shoulders to fight drugs amounts to \$250 million annually. Consequently, the campaign launched by the Egyptian police forces with the assistance of army forces to attack the centers and

fields of the drug emperors in Upper Egypt is of utmost economic importance, not to mention its social significance.

Dr. Wajih Shandi believes that Egypt's average per capita income is \$500 annually and that what Egypt spends on legal narcotics (tea and cigarettes) amounts to more than what it spends on food and housing. If we add to this the sums spent on illegal narcotics (drugs), then the sums spent on this aspect must inevitably exceed what is spent on food, housing, education, and clothing.

The confrontation against Egyptian drug emperors gains [its importance] from the fact that even though the law passed by the People's Assembly providing for the execution of drug traffickers has contributed to reducing the rates of smuggling to Egypt, as Colonel Sayyid Muhammadayn from the drug enforcement police says, the smuggling activity goes on, using extremely complex methods. Moreover, the cultivation of poppy in ordinary fields has become an ordinary manifestation in Upper Egypt. This has forced the security agencies to intervene, launching the fiercest and most successful campaigns of their kind against the "poppy" bats.

Writer Speculates on Coming Assembly Elections

90AA0297A Cairo UKTUBAR in Arabic
22 Jul 90 pp 10-11

[Article by Mahmud 'Abd-al-Mun'im Murad: "The Current Status of Political Parties and the Coming Elections"]

[Text] What is inevitable is unavoidable. That is, what is dictated by objective circumstances, in deference to reality, is unavoidable. It is politically, constitutionally, and legally unavoidable that a new parliamentary council replace the People's Assembly whose composition the Supreme Constitutional Court has found unconstitutional. Although this is no longer the subject of dispute, that was not the case in the first few days after the Constitutional Court issued its ruling. At that time those whose interests would have been served by the survival of the old assembly were still arguing about it. A small number of people were still hoping and wishing that amending Article Five of the elections law would be enough and that dissolution of the assembly would not be required.

Respect for the ruling issued by the court and the assembly's many shortcomings convinced everyone in general that the ruling issued by the constitutional court had to be carried out. People in general felt it was urgent and necessary that a new assembly, which would have the confidence and the respect of the public, be elected. Many constitutional and administrative rulings condemning many of the actions attributed to this assembly had been issued, and leaders as well as the general public were convinced that compliance with the masses' sincere and resolute political request was necessary. Thus, although the old assembly had been discredited, wishes

regarding its survival faded and hopes, or rather illusions, that the old order would survive despite its shortcomings and the rule of law vanished. It became a generally accepted fact that the way to solve this problem was to dissolve this assembly and hold new elections.

Although people may have different opinions about the timing and the method to be used to solve this problem, there are no differences of opinion about the fact that a solution is on the way in one, two, or three months. Opinions are also varied about the method which is to be used to solve the problem. A presidential decree based on the ruling issued by the Supreme Constitutional Court could provide a solution. A general referendum, which the president would call for, could also provide a solution. But whether the solution is brought about by presidential decree or a general referendum, what we have to do is move beyond this difference of opinion and not exaggerate its importance. Even jurists disagree about this point. Looking at this matter from a political standpoint, we do not believe that this point is sufficiently important to become a point of contention since the outcome, in the final analysis, will be the same.

The difference of opinion which is getting special attention is the one over the manner in which the next elections will be conducted. Will these elections be conducted in the traditional manner, which we inherited from many generations? Will voters vote for individual candidates, or will they be voting in a new way for a mix of individual candidates and political parties' lists of candidates? It is being said that legislators are trying to design such a method which the Supreme Constitutional Court would not find objectionable. The court had objected to the system under which voters voted for a list of candidates because that system denied independent candidates an equal opportunity to compete with candidates whose names appeared on a political party's list of candidates. Although we think it is more likely that voters will be voting for individual candidates in the next elections, and that is the prevalent probability at this time, we must concede—at least temporarily—that this system is an ideal system. Despite all the objections that might be made to it, it remains the fairest system and the one that does the most to provide all candidates with equal opportunities.

There are many other differences of opinion about how the districts are to be divided and about the opposition's demand for guarantees that the elections will be free and honest and that they will properly and accurately express the public's wishes. The opposition wants guarantees that no one will challenge the elections or object to them. But we will move beyond this subject too and assume that the next elections, which will be held in no more than three or four months, will be elections in which individual candidates will be running for office. We will assume that these elections will be free and honest and that no one will challenge them. We will assume that they will properly express public opinion tendencies and that

they will truly represent what voters think. We will assume that they will not favor one or act against another political party.

We will assume all that without having any guarantees to assure us that our assumptions are sound. We are making these assumptions in an attempt to sidestep many questions and answers and avoid stirring up the many differences of opinion that exist over the elections process. Such differences abound in a society where many obstacles interfere with the proper way of conducting an election and with making proper objective choices. Besides, there are consequences to the cultural, political, and economic conditions of a society that is going through radical changes under all these circumstances in a country that is still being described as a developing country. Such differences abound in the wake of a total absence of democracy and multiple parties. But we are making these assumptions in the face of various threats to citizens' freedoms and to guarantees for their political and public rights.

As we said, we are assuming that the next elections will be based on individual candidates running for office. We are assuming that sufficient guarantees will be in place to ensure that these elections are honest and completely unbiased. Having made these assumptions, let's see what such elections could yield under current economic and political conditions.

The first thought that comes to mind is that the coming elections will be held after the number of official, legal parties has been increased by two or three. And yet, such a change in the number of political parties will have no effect on the outcome of the forthcoming elections because the new parties represent no significant change to the index of political parties. It would be extremely difficult for any one of these new parties to score a victory because, on the one hand, they have been formed only recently and because they do not have well-known politicians with a political history who could guarantee them an election victory in a campaign that will be one of the most vehement in our contemporary history.

Our claim that the next election campaign will be a vehement one is attributable to many factors, the first of which is that individual candidates running for office will turn each district into a distinct battleground. Under the previous system, by contrast, voters voted for the political parties' lists of candidates in larger districts, and the competition was between political parties, not individuals. Thus, there will be more districts and more campaigns in the next election, and zealous partisanship, money, and interests will be playing major roles in those campaigns.

The system of voting for individual candidates allows independent candidates to run for office. This is a new, important factor whose impact on the next election will be clear. This system places a new burden on the shoulders of large parties, like the National Party and the Wafd Party, because a number of each party's supporters

will threaten their party by declaring that they will run as independents if they do not become their party's nominees. An independent candidate is usually one who relies on his own wealth, on the one hand, and on fanaticism and blood ties on the other. This is especially true in rural areas where politics plays the smallest possible role in such matters.

The effect of allowing independents to run for office will not be limited to what has already been mentioned. Allowing independents to run for office will be or could be the cause of another significant change that has to do with where the Muslim Brothers and Islamic groups will stand on the new elections. The manner in which these groups will participate in these elections will undergo a radical change, and where they stand in these elections will be different from where they stood in previous ones.

Islamic groups allied themselves with the New Wafd Party in the 1984 elections, but that alliance and front cracked and was soon broken. It is being said that the Muslim Brothers tried to force themselves on the Wafd Party during that period but that the Wafd was determined to reject those attempts. That is why in the 1987 elections Muslim groups turned to the Socialist Labor and Liberal parties with whom they formed an alliance.

Justice Ma'mun al-Hudaybi, who is now considered one of the Muslim Brothers' most prominent leaders, responds to such statements by saying that the agreement between the Muslim Brothers and the Wafd Party was nothing more than an agreement to campaign together in the 1984 elections. When the campaign ended, each party regained its separate identity: the Wafd Party was the Wafd Party, and the Muslim Brothers continued to be the Muslim Brothers. Only a limited number of Muslim Brothers won in that election campaign, which was the first election campaign in which Muslim Brothers had run, even though the law had not permitted them to run in that election campaign as a recognized, independent political party. Although the nine Muslim Brothers who were elected to the People's Assembly continued, as a matter of form, to serve in the assembly under the umbrella of the Wafd Party, no alliance was ever formed between the Wafd Party and the Muslim Brothers to conduct joint political activity, and no program was agreed upon by the two parties. At that time no independents were allowed to function as independents in the People's Assembly. Thus, the nine Muslim Brothers who were elected to the assembly as members of the Wafd Party and as that party's candidates remained a distinct, united bloc in the assembly. Although they were formally members of the Wafd Party and were part of the Wafd Party's parliamentary constituency, they expressed their own Islamic tendency and not the opinion of the Wafd Party.

While preparations for the 1987 elections were underway, communications between the various political parties and other opposition tendencies, including the Muslim Brothers, were taking place. The purpose of these communications was to have everyone join one

front which would be entered into the campaign on the Wafd Party's list. But it was Fu'ad Siraj-al-Din who ultimately rejected that idea and decided that the Wafd Party should campaign alone in the election. That was why the Muslim Brothers looked for another party with which they could form an alliance that would allow them to participate in the elections. The Muslim Brothers then contacted the Socialist Labor Party and the Liberal Party, and they coordinated their efforts with the two parties so that their candidates can be included on the same list which was called the Islamic Alliance list. This came about after some Labor Party leaders and some Liberal Party leaders showed their partiality to the Islamic tendency. It came about after Ibrahim Shukri and Mustafa Kamil Murad, the presidents of the two parties, let their beards grow.

What matters is that Muslim Brothers and members of the Labor and Liberal parties ran in the election as one alliance, and their names appeared on the same lists. That alliance was able to win about 17 percent of the votes, and that made it possible for the three tendencies together to have an actual presence in the assembly. Although the initial agreement between the three parties was that they would share the names which headed the lists, when the time came to carry out the agreement, the Muslims alone won 50 percent of the names at the head of the lists. The remaining positions were then distributed to the other two political parties.

All this will change when the next elections are held: individual candidates will compete for individual seats, and independents will be allowed to run for office. In this case Muslim Brothers will have the right to run for office as independents, and they will not have to rely on other legal parties whose lists of candidates would also include the Muslim Brothers' list of names.

And yet, it is possible for the three tendencies to coordinate their efforts. Rather than come up with the same lists, they would work together so that their leaders would run in certain districts where they would not compete against each other. This means that if one Labor Party leader wanted to run for elective office in a certain district, Muslim Brothers and members of the Liberal Party would not run for office in that district. Similarly, other districts would be left for the Muslim Brothers or for members of the Liberal Party. Thus, the only competition in those districts would be the competition between leaders of those tendencies, candidates of the National Democratic Party, and other independents, a large number of whom are expected to run for office this time.

Thus, for the first time in Egypt's history, the Muslim Brothers will have the opportunity to run for office in general elections as Muslim Brothers even though, in an official sense, they would be running as independents and not as members of other political parties. This may be the opportunity they have been dreaming of. It may be their opportunity to find out exactly where they stand without any influence from other political parties like

the Wafd, the Liberal, the Socialist Labor, or other parties. The Muslim Brothers believe that they will win a large percentage of the votes and seats, especially if the elections are completely impartial and totally honest. Evidence of that can be seen in an interview which was conducted recently with Justice Ma'mun al-Hudaybi. In that interview Justice al-Hudaybi said, "I don't want to pretend to be the winner in this race, nor do I pretend to be in the lead. I make no such claim at all. That would amount to self-deception. I do not want to boast or to feel that I am being arrogant because, after all, we are all God's creatures before anything else. But there are facts [to consider]. Our presence in trade unions, for example, is a fact. Do any of the other political parties have a presence in the trade unions? Do all the other political parties have a presence in the trade unions, even though we are the ones against whom this war is being fought? Another example can be seen in clubs for faculty members in the universities. To what extent do other political parties have a presence in those clubs? If we have a presence in the trade unions, and if our presence in the universities has been confirmed, these would be the facts which have to be articulated. These are the facts, and they are known to everyone even if we were not to spell them out."

It is our opinion that what Justice al-Hudaybi said is somewhat true and also not quite true. The election of Muslims in trade unions and faculty clubs may be due to the indifference of others and to the fact that only Muslims voted in the election and managed the campaign. Furthermore, there is more to society than members of trade unions or faculty clubs. Society is much broader than that, and what may apply to the few who are members of trade unions or who are university professors may not apply to all groups.

And yet it is a fact that Muslims represent an electoral power that cannot be ignored. Their leaders and symbolic figures, who may be more optimistic and more confident than they should be, even though the material facts do not quite support such optimism and confidence, take into account everything that points to a favorable outcome for them from an abstract point of view, and that includes regional, non-local developments as well as domestic factors. It is true that Muslims are scoring major victories now on the Arab scene: in Sudan to the south, in Jordan to the east, and in Algeria to the west. In Egypt, however, the situation is actually different despite all the phenomena, the outside appearances, the slogans, the special clothing worn by women to hide all their features, the bearded men, and the hypocrisy of those who march to the Muslims' drum and those who fear the danger of bombs, knives, and chains in the towns of Upper Egypt and elsewhere.

Having said that, however, the ruling National Democratic Party should under no circumstances be made to turn a blind eye to the facts. Party leaders should not think that the elections process will be an easy one and that its outcome will be in their favor. It is true that the gains made by the Muslims will be made at the expense

of other parties, and it is our own personal judgment that these gains will be made at the expense of members of the Wafd Party, members of the Socialist Labor Party, and members of the Liberal Party. After the Muslim Brothers enter the campaign alone, these parties will lose the sympathy they used to get from the Muslim public who will then give all their sympathy to the Muslim Brothers. But the National Democratic Party will continue to face the threat of losing some of its support unless its nominees are carefully chosen. The National Democratic Party's nominees should be clean, honest people who have the confidence of the public and who can do the public's work as it should be done. But those who rely on their official positions or those who in recent years managed to amass large fortunes by dubious methods must have their names removed from the lists of candidates. This is especially important because the problem of the majority party lies in the large number of people who wish to become candidates for office. With all the other parties the problem lies in the small number of people who are willing to run for office.

The National Democratic Party has the distinction of being able to have its candidates covering all the electoral districts, especially in the remote governorates of Upper Egypt and in the country's remote eastern and western sections. To the public the nominees of the National Democratic Party are still seen as capable of performing certain services for voters. And Egyptian voters still place a great deal of importance on personal interests and services. To them, personal interests and services come before every political consideration. People think that a candidate who is a member of the ruling party is the candidate who can realize their interests. According to the voters an opposition party candidate does more harm than good.

The secular tendency may have more confidence than warranted by the facts. Members of the National Democratic Party, however, have the opposite feelings. Party members expect the wind to blow against them because people's complaints have become numerous: prices are rising; wages and incomes remain fixed; unemployment is rampant; and the existence of a recession requires no proof. Everyone senses it. And yet Egyptians will be Egyptians. They will rarely change. Egyptians, who are patient, even-tempered, and can control their emotions, attach great importance to those who are in power. The biggest danger they pose is to do that for which they cannot be held accountable. Egyptians can refrain from going to the polls. The benefit of not going to the polls would satisfy them. All they have to do is stay at home and not walk out the door. And that is the real problem facing our quest for democracy. No matter what the names of these parties might be, their names are first of all misnomers. Second, the public is not interested in those parties: the public neither supports them nor opposes them.

IRAQ

Kurdish Leader Interviewed on Crisis

90AE0363A London *AL-MAJALLAH* in Arabic
4 Sep 90 pp 26-27

[Interview With Hushyar Zibari, Kurdistan Democratic Party Political Bureau Member; "Hushyar Zibari: Saddam Will Back Down if He Feels Danger; Kurdish Parties to AL-MAJALLAH: Popular and Military Opposition Inside Iraq; Invasion of Kuwait Violates International Charters; We Condemn Occupation and Demand Withdrawal of Iraqi Forces;" first three paragraphs are AL-MAJALLAH introduction; date, place not given]

[Text] As soon as the Iraqi forces entered Kuwait's territories and as soon as the Arab and international developments rejecting the occupation of this Arab country began to surface, eyes began to turn to the Kurdish opposition. Numerous questions have been raised regarding the role which this opposition, considered a fundamental force that has its military formations and that controls some important parts of northern Iraq, can play.

AL-MAJALLAH has conducted a lengthy interview with Hushyar Zibari, representative of the Kurdish-Iraqi Front in Europe and member of the Political Bureau of the Kurdistan Democratic Party which is led by Mas'ud al-Barzani, on all the developments that have followed the Iraqi forces' invasion of Kuwait.

In the interview with AL-MAJALLAH, Zibari revealed numerous things inside Iraq and asserted that the Kurdish Front which includes six parties, namely the Kurdistan Democratic Party, the Kurdistan National Union, the Kurdistan Socialist Party, the Kurdistan People's Democratic Party, and the Iraqi Communist Party (Kurdistan Province), rejects Iraq's invasion of Kuwait. Following is the text of the interview:

[AL-MAJALLAH] Reports have said that since Iraq's occupation of Kuwait, the Kurdish opposition factions have united in a single front and that they will initiate their military operations against Baghdad's regime shortly. Is this true?

[Zibari] Frankly, this report is groundless. There is great confusion on this issue, considering that the Kurdish resistance movement's presence pre-dates Iraq's invasion of Kuwait and that this resistance will continue its struggle until it accomplishes the Kurdish people's aspirations of democracy, national and cultural rights, and self-rule within the framework of the Republic of Iraq. What I wish to say is that the reports that say that we seek to form a Kurdish army are untrue because our forces exist at home, are already formed, and because there is no need to re-form them.

We Reject the Occupation of Kuwait

[AL-MAJALLAH] What is your position toward all that has happened and toward the Iraqi forces' invasion of Kuwait's territories?

[Zibari] We consider the military intervention in Kuwait a flagrant aggression by the Iraqi regime against a sovereign sisterly Arab country that is a UN member. The military occupation of Kuwait is in conflict with the interests of the Iraqi people, be they Arab, Kurds, or minorities. We decisively reject this aggression against a fraternal neighboring country as we reject the launching of a new war of aggression imposed by the regime in the absence of the people's will. The military invasion of Kuwait violates the international charters and traditions and the international tendency to solve problems peacefully. It also puts the entire region on the brink of a new and devastating war that will inflict great harm on the peoples of Kuwait, of Iraq, and of the region's other countries and that will pose a threat to world peace and security, not just to Gulf and Middle East peace and security. While expressing in the name of the Kurdish Front and Kurdish people of Iraq our full condemnation of the military invasion of Kuwait by Saddam Husayn's regime, we call for an immediate withdrawal from Kuwait and for settling the differences through fraternal negotiations and through respect for the sovereignty and independence of the Kuwaiti people and government. The Iraqi Kurdistan Front believes that the roots of the regime's new aggression lie in this regime's dictatorial and chauvinistic policy in which the regime has persisted for more than 20 years and which has included in part the annihilation campaigns, the demolition of Kurdish villages and districts, annihilation of the population with chemical and conventional weapons, eviction, and deportation. The Iraqi people, both Arabs and Kurds, have long suffered terrorism and oppression on the regime's hands. The Iraqi regime is now reinforcing its military occupation of Kuwait at a time when it is tightening the grip around the Iraqi people at home under the pretext of the state of emergency. It is conscripting hundreds of thousands of youth into the ranks of the armed forces in preparation for war. On this occasion, the Iraqi Kurdistan Front appeals to the Iraqi people to reject the regime's policy, to condemn its occupation of Kuwait, and to stand against it. The front also urges the Iraqi armed forces to reject the commands and aggressive schemes of the regime's head. The front further urges the Iraqi opposition forces with their various tendencies to promptly adopt a unified position toward the serious condition being experienced by our country as a result of the regime's method, to exert efforts to rescue the country from the regime, to solve problems with neighbors peacefully, and to restore the Iraqi people's will to determine their own affairs. The front also appeals to the world community in general and to the Arab public opinion in particular to establish effective solidarity with the struggle of the Iraqi people, be they Arabs, Kurds, or minorities, so that they may accomplish their national and democratic objectives and may end the military intervention in neighboring

Kuwait. At a time when the Iraqi people have been eagerly awaiting the promulgation of a permanent constitution that guarantees human rights, public liberties, and the requisites of an honorable and safe life under the umbrella of democracy, the regime has, whether with its draft constitution or with this military invasion, frustrated the aspirations and put the people's masses face to face with another terrible catastrophe.

Relations With Washington

[AL-MAJALLAH] Have contacts actually taken place between the Kurdish opposition leaders and Washington to agree on the initiation of military operations to pressure Baghdad's regime to withdraw its forces from Kuwait?

[Zibari] These reports are also untrue. It is true that Jalal al-Talabani was in Washington recently. But he did not meet with any official of President George Bush's administration. The reports speaking of a visit by Mas'ud al-Barzani to the United States are also untrue. He is still in Kurdistan and has not left it since the Iraqi forces' occupation of Kuwait. We have expressed our stance from a position of responsibility. This stance is that after its bitter experiences, the Kurdish national movement will not agree to be tantamount to "rebels on demand." We have an existing and ongoing issue and it is an internal issue. This is why we, in participation and cooperation with the other opposition parties, are working to introduce democratic change in Iraq. We believe that any relations we have with any Arab or foreign circle must be open relations founded on the basis of recognition of the legitimacy of our movement.

Willingness to Make Concessions

[AL-MAJALLAH] You have had a long and bitter experience with Saddam Husayn's regime. Do you think that there is a possibility of the Iraqi forces' withdrawal from Kuwait with peaceful means?

[Zibari] From our experience with the existing regime, we assert that in case this regime feels directly threatened and that the pressure it is facing is very strong—as is the case currently at the military, economic, psychological, and political levels—then it will be inclined to offer concessions and to try to find a way out of the crisis it has created.

We find that there is a big possibility that Saddam Husayn will offer concessions. But before this step, he will try to engage in further maneuvering to take advantage of the element of time to maintain his occupation of Kuwait, or of a part of the State of Kuwait. He will try to give the impression that he is trying to find a political solution to the crisis. He will also try to change his movement in this or that direction to divide the forces that have united against him in the Arab region and in the international arena.

[AL-MAJALLAH] You have said that your experiences have taught you that Saddam Husayn is always prepared to make concessions. What are these experiences?

[Zibari] In 1970, nearly two years after the regime seized power, the regime's position was not stable and there were in the army and in the government tendencies opposed to this party's rule. At the time, the Kurdish revolution, led by Mulla Mustafa al-Barzani, was at the peak of its strength and was pressuring Baghdad strongly for self-rule. At that time, Saddam Husayn, who was then the Revolution Command Council deputy chairman, felt the danger and realized that the regime was threatened with collapse. So he agreed to the Kurdish demands for self-rule and the well-known 11 March Declaration was issued. We moved sincerely to implement this agreement for solving the chronic problem with a very positive spirit. But it became evident to us after a while that the step was just a tactic on the regime's part to gain time. Several attempts were made at the time to assassinate Mustafa al-Barzani even though the ink with which the agreement had been signed was not dry yet. In the wake of this, events developed in the manner that we know, and trust was lost between the Kurdish leadership and the Iraqi Government. In 1974, the Iraqi regime unilaterally proclaimed a self-rule plan for the Kurds, and fighting was resumed as a result of this regime's intransigence and its refusal to accept the Kurdish demands. The battle lasted nearly one full year, and the regime again felt threatened. So it was again compelled to turn to Iran and to cede to it Shatt al-'Arab and other areas in accordance with the famous Algiers accord. The regime then embarked on war with Iran because of this treaty and then again ceded to it Shatt al-'Arab and reacknowledged this accord. This is our experience, and it confirms that when this regime feels that it is threatened, it will not hesitate to reconsider its calculations and to completely change its political and military tendencies.

We Reject the Transfer of Kurds

[AL-MAJALLAH] In case the conditions continue as they are, there are those who expect that some Kurds will be moved from northern Iraq and resettled in Kuwait. Do you think that such a step is serious and likely?

[Zibari] The fact is that it will not be beneficial to us if the regime embarks on such a step. However, our sources do not confirm the soundness of this information. It is obvious that the Iraqi regime is currently dealing with Kuwait as if it were a part of Iraq. Consequently, it is giving itself the right to resettle Iraqis in this usurped country. It would be one of the ironies of fate if Saddam Husayn did carry out this act because the Kurds, who have suffered heavily from the confiscation of their lands and properties, will then replace brothers of theirs in another state, namely Kuwait. We certainly reject such a tendency.

[AL-MAJALLAH] You are a primary party in the Iraqi opposition. The west is now flying the slogan of toppling

Saddam Husayn personally. What is the real condition of the Iraqi opposition inside Iraq?

[Zibari] An opposition exists inside Iraq, and it has historical and political roots. This opposition can be viewed through four main tendencies, namely: The Kurdish National Movement which has its weight and strength by virtue of the presence of nearly 4 million Kurds in Iraq. This movement represents six parties that have been united since 1988. There is also the Islamic movement, the leftist movement, and the Arab nationalist movement. These four tendencies tried in the past to unite their efforts and to form a unified Iraqi opposition front. But the endeavors failed because of some political and ideological differences.

But with this dreadful crisis and now that a complete state of perdition and destruction will develop if conditions continue to follow their current course and all the Iraqi people—a people who have not authorized Husayn to embark on all these adventures—are faced with a threat, the parties to this opposition must unite their efforts. For your information, dialogues and discussions are currently under way to develop a unified position and to agree on an alternative in Iraq.

[AL-MAJALLAH] Could the continuation of this condition lead, in your opinion, to the dismemberment of Iraq as a state?

[Zibari] We on our part are against dismemberment of the State of Iraq. Even after World War II, we were for Iraq's unity, and our representatives voted for this unity side-by-side with their Arab brothers. It is expected that there will be numerous scenarios on this issue. But we are against the partition of Iraq.

[AL-MAJALLAH] Do you think that there is opposition within the Iraqi Government to what has happened?

[Zibari] Yes, there is great opposition to what has happened within military establishment circles. Our information says that not all officers support this military adventure, especially since they have seen the regime cede a part of their country's sovereignty and the Shatt al-'Arab even though they had fought eight years and had paid an exorbitant price for it. Our information says that the Iraqi people are dissatisfied with this regime that has deviated from all international laws and traditions and has strayed from Arab traditions and values by invading Kuwait and putting Iraq's fate in the hand of the unknown. This is why there is opposition to all that has happened, even inside the ruling party. It is an invisible opposition, but it is extant and present.

MA'ARIV Profiles Saddam Husayn

'No Compromise' on Amir's Return

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[Article by Shefi Gabbai]

[Text] Iraqi President Saddam Husayn erred in his appraisal of how the United States would react to his

army's invasion of Kuwait. The possible scenarios that Saddam and his advisers outlined before Saddam ordered his army to move into Kuwait did not include the possibility of being confronted by an array of American divisions accompanied by aircraft carriers. As little as several months ago, President George Bush tried to ease the sanctions that the Congress had imposed on Iraq. Apparently under Egypt's influence, Saddam, despite his extremism, had earned credit from the president.

Saddam also erred by incorrectly appraising the international situation. He did not believe that such a broad international consensus against his aggression would develop. Nor did he at all think that an economic blockade would be imposed on him. He was certain that the Arab world would not join the sanctions, because the al-Sabah family is known to be one of the most corrupt.

Saddam Husayn is aware of U.S. military strength. At the Baghdad summit, he himself stated that the United States remains the only superpower "running wild" in the world. He is now building on the limitations of American forces. He knows that until Washington decides to give a combat order, American commanders in the field will be on guard against any incident that might cause a war. Therefore, U.S. forces are not succeeding in applying the economic blockade completely.

Iraq's ruler estimates that, for the time being, the Americans are able to defend Saudi Arabia, but no more. In the event that the United States decides to launch an air attack against Kuwait or Iraq, Saddam would adopt the tactic of deploying the foreign hostages he holds as a "human shield" to protect strategic targets.

To defend against a possible ground attack against Kuwait, he is concentrating numerous forces, which are currently engaged in entrenchment and mine-laying, and which are reinforced with ground-to-ground missiles.

The Iraqi foreign minister, in one of his many interviews with the U.S. media, warned the Americans that it is not worthwhile for them to become involved in a battle with his country, because they would ultimately be humiliated. Eight years of war with Iran have hardened the Iraqi people and its leaders. They have experienced difficult times, from which Saddam does not flinch. Saddam's rule of terror precludes any possibility of popular recalcitrance.

All of Saddam's colleagues in the Arab world, including those who oppose his recent steps, continue to pressure him to not to become entangled in a military action that is liable to harm the entire Arab nation. Strong Arab pressure could convince him of an internal Arab solution that would not entail any perception of defeat. However, he will not concede his demand that the regime of the amir not be allowed to return to Kuwait. Nor will he concede his demand for the withdrawal of all foreign forces from Saudi Arabia.

Experts say that Saddam has no strategic imperative to become embroiled with Israel. He knows that, given the present situation in the Arab world, a war pitting one Arab state and army against Israel is not worthwhile. Recently, his spokesmen have even revised his threats against Israel, saying that Iraq will not attack Israel unless Israel attacks Iraq with an atomic weapon. Nonetheless, experts maintain that, in a tight situation, Saddam might strike Israel like a wounded animal. Any concession on his part is liable to be a cause for his elimination.

Comparison With 'Abd-al-Nasir, Salah-al-Din
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[Article by Aharon Dolev; based on remarks by Professor Mikha'el Vinter, chairman of the Department of Middle Eastern and African History at Tel Aviv University]

[Text] A personality cult and a mustache, both cultivated, are the external signs of recognition common to Jamal 'Abd-al-Nasir and Saddam Husayn. This, when Iraq's ruler is indeed likening himself to the heir of Salah-al-Din's holy sword and the claimant to the throne of Nebuchadnezzar, King of Babylonia.

Historians say that any attempt to form a composite drawing of Saddam from these three historical personalities is like scribbling an absurd caricature. A cult and a mustache by themselves can be very misleading.

For example, in his theatrical public appearances, Saddam looks like a stuffed skin in a cheap opera, provoking both fear and laughter as he surveys the prostrate masses in a decorated commander's uniform, his hand held aloft. 'Abd-al-Nasir, on the other hand, was disgusted by theatrics.

Evidence of the differences between Saddam and 'Abd-al-Nasir can be found in the memoirs of 'Abd-al-Nasir's friend, journalist Muhammad Hasanayn Haykal. Haykal tells of 'Abd-al-Nasir's great admiration of Fidel Castro and Che Guevara. However, 'Abd-al-Nasir hesitated for several years before bringing near the leader of the Cuban revolution. Haykal states that his hesitation stemmed from his aversion to Castro's excited theatrics and his bearded adherents shod in riding boots. One can easily imagine how 'Abd-al-Nasir would feel upon viewing the pompous spectacle of the great Arab brother from Baghdad.

'Abd-al-Nasir, in contrast to Saddam, learned from his errors. He analyzed them and sometimes even drew conclusions. Haykal relates that after he burned his fingers in the military intervention in Yemen, he advised Castro to pull out of Africa. To Che Guevara he said: "They will call this foreign intervention, and the damage will be greater than the benefit. We learned [that] in Yemen."

In a historical perspective, 'Abd-al-Nasir is the interesting composite model of the three personalities that Saddam is building for himself. "This is primitive megalomania in the eyes of the West, but not in the eyes of the masses of the Arab world, who yearn for a strong leader," states the Chairman of the Department of Middle Eastern and African History at Tel Aviv University, Professor Mikha'el Vinter.

Vinter states:

"'Abd-al-Nasir began his path as an Egyptian revolutionary by relying on Egypt as his power base. He soon shifted his self-identification from Egyptism to Arabism and Arab socialism. With the establishment of the United Arab Republic, he erased the name Egypt entirely from the map. Egypt then appeared on the map as the 'southern region,' while Syria became the 'northern region.'

"The superficial similarity between 'Abd-al-Nasir and Saddam is as clear as the gaps are conspicuous between 'Abd-al-Nasir's charismatic personality and Saddam's grey, lackluster personality, which relies on net brutal force to aggrandize his autocratic rule. 'Abd-al-Nasir was depicted as an authentic, popular, fatherly figure who crested on idol worship. Saddam is a primitive provincial, who dictates a personality cult with crude forcefulness. 'Abd-al-Nasir and Saddam both began as secular, Arab socialists. Both enlisted Islam to promote their pan-Arab objectives. The ideological platform of the Ba'th movement is indeed pan-Arab, but it is doubtful if there exists in the Arab world hatred that is more bitter than that between the Iraqi Ba'th and the Syrian Ba'th.

"Saddam adopts the Nasirist model in all of its convolutions. Saddam stands as an Iraqi leader in Iraq's leadership arena. He is consolidating his country as his power base. In his war with Iran, he brandished the sword of the pan-Arab commander and mobilizer of support of the Arab world, excluding his arch-enemy Hafiz al-Asad. Now, against the Western world, he almost reveals in himself a deep Islamic consciousness and identity as he goes out to wage a jihad against America and Zionism."

The cultivation of a personality cult as a tool to aggrandize autocratic rule is indeed a conspicuous common trait, "but here too it must be noted that there are marked differences in character and personality between 'Abd-al-Nasir and Saddam," states Professor Vinter. "'Abd-al-Nasir's regime, in its harshest and cruellest period in the 1960s, when it pursued the Muslim Brothers and destroyed any signs of opposition, is not similar to Saddam's regime of brutal suppression, hangings in Baghdad's squares, torture chambers, purges, and the elimination of anyone suspected of expressing opposition to President Saddam."

Saddam Husayn also imitates 'Abd-al-Nasir's use of chemical weapons against his enemies," states Professor Vinter. "He surpassed his teacher and master by using

chemical weapons in his own country against the Kurdish community. However, there is no mistaking the significant difference between 'Abd-al-Nasir and Saddam regarding chemical weapons. 'Abd-al-Nasir employed chemical weapons in Yemen and hoped that no one would see, hear or know. It could be said that 'Abd-al-Nasir felt remorse, even shame, and recognized the faults of his Yemeni adventure. Whereas Saddam does not know what shame is, and he certainly has no moral boundaries or brakes. He employs chemical weapons and proudly declares that he will use them to destroy masses."

The thousands of Yemenis who marched this week in support of Saddam, waving his picture next to pictures of 'Abd-al-Nasir, presented an absurd spectacle that was watched in ironic astonishment by a world that remembers 'Abd-al-Nasir's adventure in Yemen. The Yemenis remembered only 'Abd-al-Nasir the hero of pan-Arab glory. They saw in Saddam the embodiment of 'Abd-al-Nasir. Saddam, they believe, will redeem the honor and pride of the great Arab nation.

They remembered 'Abd-al-Nasir as the savior of Arab honor, the liberator of the Suez Canal, and the blockader of the Straits of Tiran, who could care less about America. They did not remember 'Abd-al-Nasir as the bequeather of Arab defeat and humiliation in 1967. Now, a new 'Abd-al-Nasir is appearing before the masses; Arab honor is on the verge of being redeemed and restored.

Professor Vinter: "Both 'Abd-al-Nasir and Saddam built an autocratic state as a regional power armed with military might and secret police forces, and based on a party of the masses, with: rhetoric that inflames the masses inwardly and outwardly, a systematic policy of undermining Arab regimes in the region, and aggression and hatred toward the West and Israel. The masses identify in Saddam that same willingness to enter into military adventures, that same aggression toward the entire world, while going to the edge of the abyss for the sake of Arab honor and glory. Here is a courageous, heroic, and merciless leader who also embraces children, kisses babies, and, with his demagogic breath, moves millions, not only into the streets, but also into the battlefield. A patriarch of the nation has arisen."

About three years ago, at the height of the eight year war against Iran, Saddam ordered the celebration—with great pomp and splendor—of the 2,500th anniversary of the ascension to the thrown of Babylonia of Nebuchadnezzar, "the great Iraqi conqueror, the destroyer of the Jewish temple, and the liberator of Jerusalem from the hands of the infidels." Thus, while the war was draining the marrow of Iraq, and while thousands of its sons were falling like flies on the fronts, Saddam poured out tens of millions of dollars to rebuild the ancient ruins of Babylon, which are located about eight km from Baghdad.

He personally supervised the reconstruction of the palace of Nebuchadnezzar and the cesarean gates of the

city. He opened the commemorative celebrations of Nebuchadnezzar, "the great Iraqi conqueror, the destroyer of the Jewish temple, and the liberator of Jerusalem from the hands of the infidels," in the ancient coronation hall, likening the celebrations to his own coronation as the heir to the great conqueror, and to the declaration of Iraq as the heir to the great Babylonian empire.

Professor Vinter smiled and remarked: "No Iraqi child could be persuaded that Saddam, who wants to be the shield of Islam and to stampede to a jihad with the Koran, is the incarnation of a pagan Caesar. No Iraqi child could be made to believe that Muslim Iraq's location on the same territory as that ancient pagan civilization is more than coincidental."

There is some logic in the laughable historic kitsch being consecrated by Saddam: "The Iraqis are very heterogeneous, comprising Sunnis, Shi'ites, Kurds, Turks, and many communal subgroups. Saddam is playing Nebuchadnezzar to symbolize himself as the supreme unifying and consolidating force. What can hold together this medley of peoples, religious groups, cultures, languages other than a police state, brainwashing, and public hangings?

"On the other hand, Nebuchadnezzar complicates matters for him, because, one would think that if he is a pious Muslim, history would begin for him with Muhammad i.e., in the 7th century C.E., or about 1,400 years after Nebuchadnezzar. What does that have to do with ancient Babylonia? There is no cultural, linguistic, religious, or racial connection. If he is not a pious Muslim, and if he is reviving an ancient myth in order to fabricate an ancient pagan civilization, which would signal that he wants only a state and a nation, what does that have to do with the greater Arab nation. Therefore, it is probable that the appeal to Nebuchadnezzar and Babylonia is motivated by the jealousy of Egypt and its hegemony in the Arab world. Egypt is the opposite of Iraq. It is a continuation of the pharaohs. Its cultural legacy as an ancient nation does not require fabricated myths. This legacy is visible to all throughout modern Egypt. Someone who wants to restore the Arab world's pride and honor, and lead it as the patriarch of the nation, finds that difficult to digest."

However, Saddam is too cunning to claim the patriarchy of the Arab nation based on abstract concepts such as Babylonia and Nebuchadnezzar. Salah-al-Din (who was older than 50 when he died in 1193 C.E or 450 A.H) is a real being to all Muslims and one of Islam's most important heros.

Professor Vinter thinks that, among the three personalities that are confused with Saddam, Salah-al-Din is apparently the closest to him, not to his personality, but to his megalomania. What cause for wonder would there be if a minister in the Jordanian Government called on Arabs this week to remove crosses from Arab holy land? This would be a call to a jihad like that of Salah-al-Din.

"Ironically, Salah-al-Din, who was a member of a mountain tribe that originated in eastern Anatolia, was of Kurdish extraction. The paths of Salah-al-Din and Saddam cross in time and space by blind chance: Somewhere in the upper Tigris, in the city of Tikrit, to which the family of Salah-al-Din arrived in one of its nomadic migrations, Saddam Husayn was born.

"Salah-al-Din, according to Arab and other sources, was perhaps not a great strategist, because he was defeated in the third crusade against Richard the Lion-Hearted in Tyre, 'Akko, and Yafo. Researchers of crusader battles are of the opinion that Salah-al-din erred when, instead of conquering Tyre and defending 'Akko and Yafo, he hastened to Jerusalem, which was obviously falling into the hands of his fighters like ripe fruit. However, the conquest of Jerusalem, which was not defended by the Crusaders, who were concentrated on the coastal plain, conferred on Salah-al-Din a holy religious halo, because he liberated the holy place from which Muhammad had ascended heavenward.

"Salah-al-Din was an ethical man with chivalrous manners. His crusader enemies also described him as an impressive figure and authentic commander who honored promises and fulfilled the cease-fire agreements that he signed. How is the murderer from Baghdad like Salah-al-Din?"

Israeli Perspective on Saddam-Hitler Comparison

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[Article by Aryeh Bender]

[Text] Prof. Moshe Zimmerman, who holds the Chair in German History at the Hebrew University in Jerusalem, makes a comparison between the Iraqi dictator and the Nazi Fuehrer.

"All historical parallels are always with limited liability, because the reality is always specific to the period. With all the similarities, one basic difference should be remembered: Germany in 1938/39 was a world power. Iraq is a regional power. Germany could fight alone against the whole world, Iraq is not capable of that. An additional difference—Hitler was, after all, a creation of European Christian culture. He had adherents and supporters also outside of Germany. Saddam is perceived as something foreign, threatening. Why, he is Moslem, Third-World, far-off."

The world, and President Bush, as well, choose to compare Saddam precisely to Hitler, "because it is the sharpest example engraved in collective historical memory in our world, but it is not necessarily the most logical example. Hitler built on the fact that he faced a pacifist world, which would not be an obstacle for him, a world that made it possible for him to swallow slice after slice of Europe.

"Saddam assumed, apparently, that the U.S.S.R. had left the game, and that the world would go on with its usual business. Did he, indeed, err, and will the American muscle-flexing will be understood as a crushing blow, in accordance with President Bush's words that the world had learned a lesson? It's too early to tell." Prof. Zimmerman notes that in 1944, Wehrmacht officers made an unsuccessful attempt to assassinate Hitler, with the aim of ending the war. Will they also rise up against Saddam within his army? Has the United States made the Butcher of Baghdad a discrete target? On that, too, there is still no answer.

- 1939—Delegitimization of international order. Hitler demands a revision of the peace settlements that were concluded at the end of World War I. They caused, in his opinion, an historical injustice and stabbed the German nation in the back. Hitler makes territorial claims, and demands the return to his country of Western Prussia and parts of Silesia, which were stolen from Germany and handed over to Poland.
- Deception—Hitler ostensibly holds negotiations with the English for the resolution of the crisis, but at the same time sends his army towards the Polish border, with detailed instructions on when to open fire. The invasion of Poland on 1 September 1939 surprised the supporters of the appeasement policy in Europe and the entire world.
- Blitzkrieg—Lightning war. Warsaw fell in 19 days, Poland was defeated within one month.
- Strategy of war on one front—Hitler invaded Poland only after he had insured himself against the Russian danger in the East. The unexpected occurred on 23 August 1939, and Hitler signed a non-aggression pact (Ribbentrop-Molotov) with Enemy No. 1, Stalin.
- Invasion in the guise of an invitation—The Anschluss, the annexation of Austria to the German Reich on 13 March 1938, was executed as a supposed response to a call by Seyss-Inquart, the chief of the Nazi party in Austria. Also, at the time of the annexation of Bohemia and Moravia (from Czechoslovakia) to the Reich as a protectorate on 16 March 1939, German propaganda asserted that Germany was responding to the invitation of the president of the Slovakian state, Dr. Hacha. Hitler settled millions of Germans in the territories that were conquered.
- Personality cult—Hitler is Germany, Germany is Hitler.
- 1990—Iraq negates the legitimacy of the existence of the Kuwaiti state, arguing that Kuwait, a creation of British imperialism, is an inseparable part of Iraq, and demands parts of its territory. Saddam accuses the Kuwaitis of stabbing the Iraqi nation in the back during the war against Iran.
- Deception—Saddam promises Mubarak, King Husayn, and the Saudi foreign minister that Iraq will not invade Kuwait, and states that he is ready to resolve the crisis by negotiations. Commentators in the world assert that the Iraq-Kuwait crisis is intended to cause the raising of oil prices at the

meeting of OPEC states in Geneva. On 1 August, delegations from Baghdad and Kuwait meet in Jeddah, and at the same time Saddam sends forces to the Iraqi border. The invasion of Kuwait during the night between the second and third of August shocked Arab rulers who had been involved in the attempt to calm the situation.

- Blitz without krieg—The Iraqi army enters Kuwait in a lightning movement of integrated forces, and the oil emirate is conquered within a few hours, almost without opposition.
- Strategy of war on one front—After the conquest of Kuwait, Saddam springs a surprise by proposing peace to the greatest of his enemies, Iran, in order to ensure his eastern border. This will enable him to divert approximately 100,000 soldiers to the borders with Syria and Jordan, and to reinforce his forces in Kuwait.
- Anschluss in Kuwait—The media in Iraq announce that the Iraqi army crossed the border "in response to requests from the provisional government of free Kuwait." After the invasion, Iraq establishes a puppet government in Kuwait, which asks Saddam for a return to the bosom of the Iraqi homeland. The request is accepted. Saddam pours hundreds of thousands of Iraqis into Kuwait as settlers.
- Personality cult—The rising sun of the two rivers, the second [Nebuchadnezzar], the vanquisher of the Humeinist Tatars.

Critical Profile of Saddam's Rule Offered

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[Excerpt] [passage omitted]

Broad Ambitions

Saddam's personal halo, which the party apparatuses have built over the years, has helped to deepen the fear in the citizens' psyches. However, this halo, which depicts Saddam as "the father, the brother, the hero, the protector of the people, and the new Saladin," is not sufficient. Saddam still needs to achieve a deeper link with Islam, Arabism, and Iraqi history. Therefore, he has fabricated a claim of being a descendant of the prophet, God bless him and grant him salvation, and the successor of Faysal the Hashemite the First. To highlight this claim, he built the tombs of the Hashemite family in Baghdad and re-erected a statue of King Faysal the Second. He initially explained these actions as an attempt to please and come closer to the Hashemites in Jordan, or a humane gesture to a deep-rooted Arab family that had a primary role in establishing and consolidating modern Iraq. However, these measures were intended solely to pave the way for Saddam's announcement of his relation to the noble, Arab prophet, and then stress his ambitions to achieve hegemony over the Islamic world. Although he leads a secular state that pays no heed to Islam, Saddam has in recent years begun to realize that the fact that his state is based on a socialist

party founded by a Christian intellectual, Michel 'Aflaq, is a negative factor in his Islamic strategy. Therefore, the apparatuses of the party were ready, upon 'Aflaq's death in Baghdad, to fabricate history and claim that this major Arab propagandist of secularism in the Arab nation proclaimed his acceptance of Islam on his death bed.

A modern legacy apparently does not suffice to complete the "legendary" halo that has been fabricated around Saddam Husayn. He therefore began to focus his gaze on ancient Iraqi history. When the reconstruction of Babel was begun, the people noticed that some of the bricks in the structure bore the name of Saddam in the fashion that another brick bears names that are well known in Iraq's ancient history, such as Hammurabi and Nebuchadnezzar. Lest Hammurabi—who is famous for legislation and enactment of sophisticated laws—be better than him, Saddam attempted to make his own contribution in the legislative field. However, what happened was that he gave every man in Iraq official license to murder. In order to fight vice, which was a byproduct of his war with Iran, the [Revolution] Command Council (Saddam Husayn in effect) issued a decree on 18 February 1990 that states that an Iraqi shall not be punished for intentionally killing his mother, daughter, sister, aunt, or niece because of prostitution. An Arab newspaper published in Beirut summarized Arab sentiments as follows: "We woke up one morning to find ourselves humiliated and defeated by the hand of the past, which took us back to before Hammurabi's era."

Reporter Discusses Life in Phosphate Mining Community

90AE0216A Baghdad *AL-JUMHURIYAH* in Arabic
16 Jul 90 p 5

[Article by Muhammad Sahib Sultan]

[Excerpts] As we toured the streets of the frontier city of Hasibah, my host said in his pleasant Bedouin dialect: We left the travel program open for you. Where do you wish to begin and what do you want to see first?

I said: I want to see the 'Ukashat Mine, a desire that has been put off for years, whose time has now come.

He said: You have just come from a hard, exhausting journey, and the mine is hundreds of kilometers away, deep in the desert. You must rest, and I promise that we will go there at daybreak. [passage omitted]

Self-Supply

At the breakfast table in the restaurant designated for the mine workers, which is among the cleanest, most spacious, and best furnished restaurants I had seen, a question came to mind.

[Sultan] What would happen if your means of communication with the outside world were disrupted? Where would you obtain your food needs?

The man laughed and motioned toward the breakfast table.

[Faysal Dabdab] My friend, the abundant good and delicious bounty is from our self-supply. I mean the farms of the city. We do not buy anything from outside our city. Moreover, we frequently provide the mother site (the general phosphate installation in al-Qa'im) with its fruit and vegetable needs, which are in abundance throughout the year. Our produce is of a very new type. The residents of our city make gifts of it when they go to their families during their vacations. [passage omitted]

The Beginning of Operations

[Sultan] When was this mine established?

[Faysal Dabdab] Phosphate exploration began in the 1950s and continued until the 1960s. The plan to establish the mine was formed in the mid-1970s. The objective of the mine, which is part of a comprehensive phosphate fertilizer production project in al-Qa'im, is to exploit raw material. The mine was opened on 7 April 1981, and we began actual production in 1983. The mine's projected capacity is 3.4 million [as published] of raw phosphate, which is sent to the fertilizer plant to remove dirt and [adjust] the percentage of concentration.

A Residential City With Special Features

During our conversation with the "father of the phosphate family," a man entered, who emanated vivaciousness and vitality, despite the bloom of white snow on the part in his hair! I subsequently learned that he is the administrative and financial manager of that family, Lu'i 'Abd-al-Karim Bahyah. As you speak with him, you feel as if the intimacy that he creates in his sentimental conversation and his intelligent input go back a long way.

[Bbahyah] The work site includes a 600-unit residential city of houses and apartments and a camp that was established for workers needed by the mine. This city is modern, and it includes a medical center, a modern market, and a school. However, we complain about the lack of support services for our work and residence here, including health services. The city has a new building for a sophisticated hospital, but it is vacant.

We asked the responsible health agencies to take it over, supervise it, and organize a medical cadre for it. However, unfortunately, it excused itself for reasons unknown to us. Instead, medical services are provided at a medical center staffed by a physician, a physician's aid, a male nurse, and a laboratory assistant, none of whom have back-ups when they take a vacation. If the health depository [sihhat al-anbar] is so kind as to send us an alternate, he comes and goes without the knowledge of the phosphate complex. That is our hardship. The city, as you see, is remotely located. If any health problem occurs (God forbid), you see where and how it would be treated. That is the problem. We in turn pose the

problem to Health Ministry officials in order to find a solution to these constant hardships. As for municipal services, they are non-existent, which has prompted us to organize services based on the efforts and time of mine workers. Therefore, we find that a significant number of mine workers are withdrawn from their work by the chief for those purposes, and they are not employed to do their real work.

The third problem facing us is the method for transporting people to and from the city. This problem can only be solved in cooperation with the General Railroad Organization, which should add a passenger car to the shipping train.

[Sultan] It is truly a problem, and I hope that the concerned agencies will fulfill the need. They are able to do so to end these hardships.

Warehouses and Repair Workshops

We then toured the city, the large laboratory tents [or porticos], the repair workshops, and the warehouses. In the control section, we saw sophisticated communications apparatus that are used to perform centralized quality and quantity control over all production phases. The personnel working in this section prepare special programs, graphs, and operations charts. This section remains in operation throughout the working day, and it includes communications apparatus linked to other communications apparatus located in all of the large pieces of equipment employed in the mine, which saves time and facilitates the monitoring of production phases. This section also runs precise control checks to determine the work and its time requirements. In this way, information is obtained regarding the work load, the loading and unloading stages that have been completed, and productivity.

The maintenance workshops carry out their tasks with the utmost precision and speed, and they can surmount problems arising from the difficulty of the work. There is a mobile maintenance workshop that repairs breakdowns on site or transports them to repair workshops, depending on the need. Throughout the year, there are projects to provide stand-by equipment, and projects to manufacture what can be manufactured. Also available in the mine is a computerized storage system that controls stand-by equipment and provides material before it is depleted.

The Nature of the Mine's Work

The reader may be wondering about the work of the mine. Therefore, let us follow the phases of operation together with the mine's manager.

After getting off the manager's "camel," which took us to where the work was to begin, our feet sank into fine phosphate particles that transformed the color of our black pants and shoes into grey and colored our hair,

eyelashes, and sideburns. I and My colleague, the photographer who accompanied me, laughed uproariously each time we looked at each other. This is the nature of our difficult profession.

Organized, Precise Work

We remained in that same curious state the entire day as we followed the phases of operations and the service-minded men performing them. These men consider sweat and dust a source of pride as long as their work results in wealth for the country and achievement for its sons.

The difficulty of the work is the predominant feature of the outstanding effort of these men, whom we saw working in the middle of the desert as they drilled and explored for phosphate.

They perform their work in sequenced phases. The thickness of a layer of phosphate varies from 0.5 meter to 10.5 meters. These layers are covered by layers of rock and dirt that must be removed before the phosphate is extracted.

Let us listen to geologist Khalid Hashim Muhammad, whom we found at the work site among the workers. He was using voice signals as well as gestures and other means of expression due to the noise of the machinery, although I did notice that his vocal chords were swollen as I moved closer to listen to him.

[Khalid Hashim] The process of removing the layers that abut the phosphate depends on their nature. If they are more like soil, it is easy for us to use bulldozers. If the layers covering the phosphate are of rock, we must excavate [taqayyub] and detonate them, using drills [mataqib] of different sizes and lengths and a machine called a Drake Line.

[Sultan] (I motion him closer with my hand, as the roles became reversed!) What is a Drake Line?

This is a specialized machine for removing the exploded cover layer, which weighs more than 400 tons.

[Sultan] (In concluding the explanation, he pointed toward a very large machine, which I thought was a mobile building with a long arm connected to an iron shoulder of fantastic dimensions!)

The Explosion Phase

And then what?

[Khalid Hashim] After the removal of the dirt and rocks, samples are taken from the exposed phosphate layers for laboratory testing to determine the percentage of phosphate and other elements. Then, we drill holes in these layers and load the holes with explosives. Shortly after detonating the explosives, we can see the deposit's nature.

Waiting That Seemed Like An Eternity.

All occupational safety measures were taken. All those tasked with detonation finished their work and withdrew to a safe place. We "dug in" inside the manager's car at a carefully calculated distance. We were not frightened of the impending explosion, that is, everyone except my colleague the photographer, who had moved very close to the explosion site in order to photograph the blast.

Inside the car, I listened to the instructions of the occupational safety personnel over the communications apparatus and the instructions issued by the control center, which secured the withdrawal of equipment and machinery, lest it be damaged by the explosion.

Movement stopped and our gaze was directed toward the detonation commando, this gallant worker with nerves of steel who, with all calmness, held on to the fuse as my colleague the photographer aimed his camera, waiting for the expected moment, fearing that he would miss the explosion.

I tried to record an observation, but I could not take my eyes off this scene to look at the paper. Finally, the worker ignited the fuze and returned with the same calmness, but with lightening speed!

The spark of the fuze began to overtake the heartbeat, and time began to run out.

I began to fear for my colleague. My heart began to flutter in fear for him. My God, what if the body of Sabah the photographer went up with the blocks of exploding phosphate...the explosion reverberated.

With an involuntary movement, Sabah let his camera dangle around his neck as he raised both hands skyward to ward off the rock fragments that were falling like rain! He speedily headed toward our "camel," his face showing signs of fear and alarm as he repeated that "this rock has no mercy" and "I got the shot."

Enormous Specialized Equipment

After having this experience and whetting our throats, we followed the loading of the phosphate blocks, which is performed by enormous specialized mining equipment, which then transports the raw phosphate to breakers to be broken up. The broken phosphate is then stored automatically. During the breaking phase, mixing processes are also conducted, because there are areas that include high-quality phosphate and others that include low-quality phosphate. Therefore, the mixing process is conducted until the desired average is obtained.

Engineer Muyassar 'Abud, who supervises the breaking department, smiled at my colleague's comparison of these huge machines to an almond-breaker.

This phosphate almond, as we called it, passes through tunnels on conveyor belts to storage areas, under which tunnels with conveyor belts also pass, which receive the

accumulation. The phosphate is then shipped by train to the phosphate complex in al-Qa'im.

A Salute to Those Willing To Be of Service

Through their daily effort, which sometimes continues well into the night to carry out a number of tasks and to prepare equipment for the next day, these service-minded people continue to defy nature's harshness and difficult work conditions to create an active Iraqi industry that exploits the wealth of the land for the benefit of its population. Salutations to these people, to every creative arm, and to an enlightened mind in Iraq, the beloved commander Saddam Husayn, the hero of victory and peace, and the builder of Iraq's glory.

ISRAEL

Strategic Importance to U.S. Examined

Loss of Importance Disputed

90AE0333A Tel Aviv HADASHOT (Weekend Supplement) in Hebrew 17 Aug 90 p 8

[Article by Haggai Segel]

[Text] Experts calculating the end of days, have clarified in advance that [the new Jewish year] 5751 could be a good year for the Jewish sector. All the signs indicate that they are right this time. First the miracles and wonders of immigration from Russia, and now the miracles and wonders in the Persian Gulf. "The "Eisenhower" and "the Saratoga" and other monstrosities made in the United States are doing the menial work for us. Soldiers from all over the world, armed to the teeth, are engaging in feverish preparations to clip the wings of Saddam Husayn.

There is only one problem: the problem of the complainers who must spoil pleasure. Good tidings do not sit well with those who have a melancholy view of life. They wonder aloud whether Israel is still a strategic asset to the United States as we have liked to think, or just a headache. The display of the rousing purpose of the American armada in the Indian Ocean awakens in the Jewish heart a slumbering inferiority complex from the days of the small town and Franz Josef: Who are we and what are we next to the steel chariots and iron wings of the Washingtonian superman? The theory says that America needed us only when it was involved in a difficult contest with the Soviets in the Middle East, and that we ceased benefitting the United States the moment it became reconciled with the Soviets. Since then, it seems that the United States is getting along in an excellent manner without us.

Relax friends. Until further notice, Israel continues to be a strategic asset to the Americans in particular, and to sane humanity in general. This is not exactly Herzl's dream, but it is a fact in the field. Our strategic potential is not a function of the status of U.S.-Soviet relations.

Rather, it is an outcome of the constant Muslim threat to the world's welfare. In order to understand why we are important to the Americans, it suffices to cast a glance at diagrams that chart the astonishing rate of production of war-provoking Muslim leaders since the 1930s—from the mufti, Hitler's dear friend, to Saddam Husayn, his replacement.

The thaw between Washington and Moscow began in the time of Nixon and detente, long before Gorbachev. Nonetheless, America continued to cultivate us as a military power and send us the best of everything. It never asked to position, in Israel, nuclear warheads aimed at Moscow as a quid pro quo. Only in recent years, after the cold war ended to be precise, did it begin to use the Haifa Port services for the U.S. Sixth Fleet. The myth that the Americans need us as a buffer against Soviet expansion in the Middle East originated in old prattle generated by Aba Eban. What buffer, what nonsense. Aba, despite his excellent English, did not understand that the United States has always designated a much more limited global role for us, namely, handling the Arabs. It always intended to manage the Russians by itself.

If the United states has already come to view the Middle East as the most ideal place to move toward the Russians, it would have to concede to the Soviet Union some place in the world in the framework of the East-West convergence—if not Cuba, at least here. The United States—it can be checked in books—never seriously protested Soviet involvement in the Middle East. The thinking in the White House was: Let the Russians break their heads with the Arabs. Of course, the United States was happy to have a reliable friend in the region like us, but it did not designate any role for us in the battle against Soviet expansion.

In its heart of hearts, the enlightened world understands that a strong Israel is a safety valve to protect against eruptions of an Arab volcano, such as Iraq. Our impression is that we alone have contended successfully with the phenomenon. Therefore, the enlightened world attaches importance to our deterring presence on the cutting edge of the Qadhafis, 'Arafats, other sources of international terror, oil blackmailers, and chronic disturbers of world peace.

The gentiles know that the Jewish state is an island of sanity and reliability in the heart of the wild, thankless Middle East. Every first-year international relations student learns that one Israeli verbal promise is equal to more than a hundred agreements signed with the Arab states. The freshest example in the current painful crisis is Jordanian reliability. King Husayn, Britain's protege and Bush's friend, is now revealing himself as the only collaborator of the butcher of Baghdad. His perfidious opposition certainly reminds Kremlin veterans of the perfidious opposition of our friend Sadat a year before the Yom Kippur War. The moment the Kremlin hesitated to fulfill a certain request by Sadat for weapons, he kicked out the Soviet advisors who had brought him so

far; without a second thought, he began to form an enthusiastic romance with the West.

We are vital to the Americans without sending the Giv'ati Brigade to the multi-national force in Saudi Arabia or sending Israeli-made can-openers to the Marines. Whoever does not believe so should ask Richard Cheney about what he is willing to concede: A Golani company positioned on Mt. Hermon, or six Australian frigates off the coast of Kuwait? An Israeli defender squadron or the entire Saudi Air Force? We are a strategic asset because no national security advisor can guarantee to President Bush that, tomorrow, some fiery fundamentalist will not inherit Husni Mubarak's position and turn Egypt into another Iran. The president can always be certain that whoever heads the Government of Israel tomorrow will neither seize the American embassy on Yarkon Street, nor invade Saudi Arabia because it covets its riches. The news of a worldwide peace breakthrough has yet to reach the White House situation room. The administration therefore prefers to continue to maintain a reserve force in the eastern Mediterranean to counter any Saddam that might arise.

If we were not an asset, the United States would have thrown us to the dogs long ago, as it once did to Taiwan. George Bush, with all of his understandable antipathy toward Shamir and justified scorn for Arens, has continued to pay us our yearly aid allocation in full. He has strongly pressured the Soviets to allow Jews to immigrate to Israel, and he is refraining from seriously pressuring us to compromise with the Palestinians. The seriousness with which the Americans are taking the Iraqi occupation of Kuwait only highlights their lack of seriousness in relation to the Israeli occupation since 1967. Since 11 June of that wonderful year, they have supported the Arabs verbally and supported us practically. A million American demands to stop Israeli settlement activity on the West Bank have yet to result in the dismantlement of even one Jewish ashkavot beyond the green line. It is all talk.

Shim'on Peres is one person who took the Americans' talk too seriously, and he paid dearly. In March, it seemed to him that Israel had to give Baker a positive answer within 48 hours, before a catastrophe occurred. Since then, 3,720 hours have passed without an answer, and the secretary of state has had no burning issue to take up with Israel. The ringing, tender kisses between 'Arafat and Saddam have eliminated the secretary's desire to deal with the Palestinian problem. Therefore, he postponed for a month the burning meeting with [Foreign Minister] David Levi, and evaded an urgent meeting with Arens. He has nothing to talk about with them, so why be bored. A strategic asset is not necessarily an intellectual asset.

Losing Strategic Importance

90AE0333B Tel Aviv DAVAR in Hebrew 20 Aug 90 p 7

[Article by Shmu'el Segev]

[Text] New York—Two weeks after the Iraqi invasion of Kuwait, and despite the danger of military confrontation

in the Persian Gulf, it is now possible to point to the beginning of a regional process that is likely to affect the strategic status of Israel and the nature of its relations with the United States in the future. One very salient development is the improvement in Egypt's strategic status. Secret contacts between the United States and Iran have also been increasing. The behavior of Saddam Husayn since the start of the crisis has finally buried the "Iraqi option" in the Persian Gulf and re-emphasized Iran's status as a possible barrier to Iraq's expansionist ambitions.

The dramatic developments in the Gulf have weakened Israel's status as a primary strategic ally of the United States, and they have highlighted the limits of Israel's power, especially its ability to become part of a regional process as long as there is no peace between it and all or some of the Arab states. Repeated Israeli offers to take part in expected developments were politely but strongly refused by the Bush administration, despite Israel's attempts to stress its routine cooperation with the United States in the area of intelligence. No one in Washington is impressed with such cooperation any longer. In contrast, emphasis here is being placed on the reliability of Egypt and Mubarak's success in integrating Syria and Morocco in the inter-Arab ground force for the defense of Saudi Arabia and the other gulf emirates.

Senior sources in Washington who participate in the planning and formulation of American policy in the Middle East have compared the current process to the process that President Sadat undertook in 1974. After the signing of the separation of forces agreements between Israel and Egypt and between Israel and Syria, and after the resumption of shipping through the Suez Canal, Sadat initiated an informal alliance with Iran, Syria, Jordan, and Morocco. This alliance isolated Iraq and curbed its expansionist ambitions in the gulf. Sadat did not ask Israel to sever its close ties with the Shah. However, he did exploit Iran's supply of oil to Israel as a lever to pressure Israel to withdraw fully from the Sinai and the rest of the territories.

After that, Yitzhaq Rabin, Yig'al Elon, and Shim'on Peres visited Teheran and convinced the Shah not to stop the supply of oil to Israel. Sadat also made the Shah a partner in his political moves, as Menahem Begin was given to understand on his only visit to Teheran in February 1978. Parallel to that, Sadat made constant efforts to consolidate his position in Washington as a reliable ally of the United States in the region.

Mubarak is now pursuing a similar course with the full encouragement of the United States. Jordan's place in the process that Sadat cultivated is now being taken by Syria. American experts in Middle East affairs say that where Sadat failed, Mubarak is now likely to succeed: Mubarak has pushed Israel into the status of a second-class ally, whereas Egypt has become the United States' main ally in the region. Moreover, strategic cooperation

between Egypt and the United States bears a latent chance for a reconciliation with Iran through the intermediation of Damascus. True, there is much anti-Iran residue in the United States, and normalization is not imminent. However, as one who headed the C.I.A., Bush recognizes Iran's strategic importance and historical enmity toward Iraq. American experts are already speaking about the possibility of revitalizing the Kurdish rebellion with the help of Iran and Syria and financing provided by Saudi Arabia and the other gulf emirates.

Very regrettably, these processes are skipping over Israel. In contrast to the past, no one is leaning toward integrating Jerusalem in their consolidation efforts, or making use of Israel's experience with the Kurds to drain Iraq's power. The basic lack of trust between President Bush and Secretary Baker on the one hand, and Prime Minister Yitzhak Shamir on the other, Shamir's inflexibility regarding the Palestinians issue, Mubarak's refusal to cooperate with Shamir as long as the Government of Israel is not saying "yes" to Baker, not to speak of the religious character of the governments in Saudi Arabia and Iran—all of these factors leave Israel outside the circles that are now being formed in the region, with the full encouragement of Washington.

In a meeting with members of the Israeli delegation to the United Nations and the Israeli consulate in New York, Minister Roni Milo' attempted to calm his listeners by saying that there has been no erosion in the strategic status of Israel, nor in the firmness of its ties with the United States. When it was said to Milo' that the Jewish leadership in the United States is hearing the opposite, and that the administration's spokesmen are at pains to emphasize the reliability of Mubarak and his ability "to deliver the goods," Minister Milo' repeated the customary arguments that Israel "is the only democracy in the Middle East." He added that strategic cooperation between Israel and the United States is continuing as usual "and even becoming stronger," and that it is still too early to derive long-range conclusions from a crisis that is not yet over.

Perhaps Milo' is correct regarding conclusions. However, regarding processes now occurring in the region, one must almost inevitably conclude that, after the elimination of the Persian Gulf crisis, if Israel does not act with the necessary flexibility, it is liable to find itself in a confrontation with the American administration, a confrontation that will be much sharper than any that occurred before Iraq's invasion of Kuwait. In his bold treatment of the Iraqi crisis, Bush has demonstrated his decisiveness and adherence to his objective. American officials say that Bush will demonstrate the same decisiveness toward Shamir.

Beyond Bush's need to compensate Mubarak and Saudi Arabia for their reliability, the United States is adhering to Baker's five points as the only way to thaw the freeze regarding the Palestinian issue. Yasir 'Arafat indeed angered the United States greatly with his consistent support of Saddam Husayn. However, the Americans

say that the PLO is more than just Yasir 'Arafat, and that there is a serious disagreement within the PLO between supporters of Mubarak and King Fahd on the one hand, and supporters of Iraq on the other. The outcome of the Kuwaiti crisis will determine 'Arafat's position in the PLO.

The crisis in the Gulf has given Israel an important time interval to consolidate its positions. If Israel squanders this time and does not form a plan that can thaw the freeze, it might find itself outside the circles that are forming now in the region, and out of the headlines and the limelight.

Ran Kohen Discusses Sharon, Labor Politics

90AE0218B Tel Aviv *HA'IR* in Hebrew
22 Jul 90 pp 22-23

[Interview with Knesset Member Ran Kohen by Nadav Ha'atzni; date, place not given]

[Text] Three women are waiting in the corridor leading to his room in the Knesset. Ran Kohen has stopped to hear their complaints. One of the women does not meet the Housing Ministry's criteria. She claims that she does not have housing. In order to wait in the corridor, she had to demonstrate forcefulness and pass through the careful filter of the Knesset guards. Many people are waiting outside with similar stories. Kohen delays himself, listens, makes a note, and calls out to his parliamentary aid, Sari, saying "we will refer this case to Minister Sharon; this is exactly what we spoke about with him today."

The struggle that is being waged now in the public parks and in the distressed neighborhoods caught Kohen hitting his stride. He is well ensconced in the niche that he has carved for himself, the welfare niche. Already two months ago, he hosted mortgage victims and homeless persons in the Knesset, and he even supplied the first tent to the Knesset Park settlers. Kohen tours the new tent camps in his white Reebok shoes. They awake in him distant memories of his parents' tent in 'Akko. The comparison depresses him greatly.

Kohen, a pragmatist, differs essentially from all that his party, RATZ [Citizens' Rights Movement], represents. He understands the political calculation of doves in the Labor Alignment who have landed on Rabin's shoulders. He even thinks that they calculated correctly. He believes that the left must undergo a change in its social outlook, and above all, he is in favor of Ari'el Sharon. When asked about this, he hastens to disassociate himself, as if it were a hot potato. However, he does not conceal his view that only Sharon, if anyone, can remove us from this quagmire. This is also the reason why Kohen eased the ban that the left imposed on Sharon, and why Kohen is endeavoring to work with him. Generally, it is difficult to escape the feeling that Kohen wants an executive position.

[Nadav Ha'atzni] You have not spoken with Sharon since the Lebanon War, and now, a love affair has suddenly blossomed between you. What is happening? Have you forgiven him his crimes of the past?

[Kohen] I will not pardon Arik and I will not forgive him for the Lebanon War until a commission of inquiry is established to examine the war, particularly certain episodes in it. Nor will I pardon him for the fact that he lacks boundaries of ethical conduct. This was very notable regarding his farm, the import licenses that he distributed as commerce and industry minister, and so on. Even at present, I see improprieties on his part. For example, he sends the Housing Ministry mobile unit bearing Mikha'el Eytan to the tent camps of the homeless. This is something that the Labor Alignment would not have done in its time. He should send state officials, not politicians.

[Ha'atzni] Last week you said that only Arik Sharon can remove this cart from the mud. Are you trying to construct an alibi now?

[Kohen] No. I truly think that Arik is the only person in this useless government who can get things done. If I have doubt about his chances of success, it is not because of his ability as an executive, but because the problem is so extensive and because efforts will be made to thwart him.

[Ha'atzni] Are you cooperating with him in great harmony?

[Kohen] Until a month and a half ago, I had not spoken with him since the Lebanon War. We met by chance in the foyer of the Knesset plenum and we began to talk, because I had decided to remove any obstacle to finding solutions to the great problem facing us. This connection works. For example, last week, I spoke with him in the economy committee, and believe me, I had no problem attacking him and making hamburger of the government, because what the Likud and the Labor Alignment did in this area is a terrible failure. However, I settled past accounts in two sentences. I presented to Sharon the problem of the Housing Ministry's ridiculous criteria, and he asked for examples to be referred to him, so that he could handle the matter.

[Ha'atzni] What is your faith based on? Do you have an indication that he can untangle this mess?

[Kohen] I have an indication that he enters into any area with great shoving. In the military system, just as in the political party system, when he wants to achieve great accomplishments in a short time, and when he is resolved to do so, he succeeds. I feel that he is currently resolved to succeed. He knows that a great opportunity has fallen to him to save us from the deep failure of Peres and David Levi. He has an opportunity to prepare and pave his way to the premiership, and he knows this.

[Ha'atzni] Are you joining the Sharon camp then? Your comrades are not willing to be lenient with him regarding the Lebanon War.

[Kohen] I very much hope that Sharon will solve the housing problems, but that he will not succeed in being appointed to the premiership. If he fails, it will be exactly because of his constant tendency to ride roughshod to advance his cause. In this case, it is the horse to the premiership. In the past, there were other horses. Regarding the Lebanon War, I think that my friends have forgotten my involvement. However, in any case, I was not in favor of the war. I opposed it from the start. However, I went to serve with full awareness that I must be where my people is fighting, and that I must act according to Israeli democracy without breaking it.

[Ha'atzni] Gid'on Samt, a political editor, argues that leftists of your ilk, who tend to the tents, are shifting attention from the intifadah and playing into the hands of Sharon.

[Kohen] Whoever thinks that the housing crisis is an invention intended to conceal the intifadah is blind or thinks in foolish terms. I very much admire Gid'on Samt. However, I think that he is making a tragic mistake. It is impossible to conceal the occupation, even with the dazzle of 1,000 projectors. The Israeli left has no alternative but to stop being obtuse, one-dimensional, and removed from the real problems. It can flee from them, but they will not flee from it. I also maintain that the addition of immigrants will not damper the need for peace, but rather the opposite.

[Ha'atzni] Samt's arguments do in fact suit the Ashkenazi image of RATZ. None of your pale-faced colleagues, who run off to every refugee camp in Gaza are seen in the Hatiqva neighborhood.

[Kohen] The work method in RATZ, which allows each person to develop freely in his own direction, has brought about a situation in RATZ, to be distinguished from MAPAM [United Workers Party], in which certain struggles are identified with certain people. It is true that Yosi Sarid, for example, is an expert in the political domain, not the social domain. However, all of my colleagues demonstrate involvement. Shulamit Aloni was among the first to arrive at the tent camps. Sarid also told me that he is going to the Knesset camp. Nonetheless, the Israeli left, in recent years, especially since 1984, has been in a process of changing its values, behavior, and emphases. However, this process is spread over very many years. It is not occurring without difficulties, because it is necessary to change the chemicals of the digestive juices, meaning it is necessary to become open to social issues. Until 1984, the left was truly one-dimensional and focused only on global issues. In the past six years, there has been, in my opinion, a great change, in that the right, which was always close to the victims of this society, has become one-dimensional.

[Ha'atzni] Do you hope that RATZ and the left will gain something from the current crisis? Will they perhaps finally manage to reach the social strata that are in distress?

[Kohen] I think that the situation is changing. This change comes after a long period in which the left was entirely preoccupied with the intifadah while a situation of injustice and discrimination was developing inside Israel. The emergence of the problem into the open will cause serious people to derive conclusions regarding the left's equilibrium. I want you to know that I make no separation between the social and political. Nor do I hide my positions from the tent people with whom I come in contact, even though the tent-dwellers are from a traditionally rightwing segment of the population. You must not think that this is easy. I do not expect that these people will later vote for RATZ. I am not driven in this matter by electoral motives. However, I do not hide the fact that I am not an altruist. I would of course be happy if our activity increased the power of RATZ. Even winning three, four, or five percent of this segment of society would be a great gain.

[Ha'atzni] The impression is that the housing crisis is being taken over increasingly by opportunists, even though it began spontaneously.

[Kohen] Let us differentiate. There are contemptible leeches who see a just struggle and wrap themselves in it. Apparently, there are also those who arrange fictitious divorces to obtain another apartment, or husbands who find it convenient to dump their wives and children on society. But in my opinion, these are a minority. There are also legitimate opportunists, such as people whose social functioning is damaged, for example, someone who was on the crime track, and they are exploiting the housing issue as a lever. However, all of this reveals the amazing phenomenon that has emerged, namely that the housing crisis, more than unemployment, uncovers all of the sick of Israeli society. It is as if the housing shortage removed the wrapper from all types of distress. Those unable to subsist, those lacking a vocation, the second, third, and fourth generation of distress. I uncover shocking cases, such as a girl in Jesse Kohen, who married a half year ago, and her addict husband left her with a child. I asked her, why did you marry? She has no answer.

[Ha'atzni] What about the political opportunists, such as those who established the Knesset camp. Manipulative organization was employed by Hashomer Hatza'ir [Young Guard] and MAPAM groups, and of course by crisis professionals of the likes of Charley Biton and Sa'dya Martziano.

[Kohen] I believe that political opportunism exists. However, it is very marginal. On the whole, there is much haughtiness on the part of certain journalists, as if each time a politician goes to the tent camps he is attempting to gather political capital. They do not say this regarding any other subject, only this one, because of

their snobbishness and haughtiness. They are deepening the anger. If people such as Yosi Beilin or David Levi's confidants were to appear at the tent camps, I would view that as tainted opportunism, because they are responsible for what is happening. They are guilty. But, in the meantime, as far as I know, they are not appearing at the camps.

Regarding Hashomer Hatza'ir and the Knesset camp, it is fine and commendable if a kibbutz wants to provide help to tent-dwellers anywhere in Israel. However, the thing that is a real pity for me, which I admit causes me great disappointment, is the fact that a party, or key party figures, would need to fence off for themselves some one tent camp that is close to them. This is simply a pity, because the distress is so extensive and so many of us are affected by it that this should not really be necessary. I can identify other political opportunists in the Knesset. However, I nevertheless believe the political system is still not sufficiently mobilized regarding the issue.

[Ha'atzni] Last week, they burned tires, blocked roads, and threatened suicide. Where is this leading?

[Kohen] The choice is very clear-cut. Either find immediate solutions, before the winter, by means of massive building, or the country will quake from the terrible lightning of this social crisis. We do not have much time, only 90-100 days, and the phenomenon is becoming more severe, because, each day, people are added to the circle. The question is, from where have you come, and where are you going. In my opinion, we are moving toward a crisis. The issue here is a crime, an omission that is a crime. Operations have yet to resume in all of the prefabricated building factories that were closed, and not one sophisticated system has been imported from abroad. With all of Sharon's bulldozer ability, it seems that the matter has been mired so deeply that it has yet to be budged. However, the solution is a question of leadership. One can despair and find a thousand reasons for such despair, but one can also find a thousand and one reasons not to despair. I also meet good people in these tent camps. Leadership is needed.

[Ha'atzni] Let us talk about the migration of the doves in the Labor Party. What is your opinion of the behavior of your friends, for example your former partner in SHELI, Lova Elyav?

[Kohen] I am very happy that I do not have their trouble. This is the reason that I did not remain in their situation and preferred not to be under this losing umbrella called the Labor Party. However, I want to tell you something that will perhaps surprise you. As one that does not have to choose between Rabin or Peres, both of whom are unfit in my view, I think that the Labor Party needed to go with Rabin and not with Peres. The Labor Party thinks Rabin, not Peres. What is more, Peres exhausted a certain process, and he failed in it.

[Ha'atzni] So are you now in Rabin's camp?

[Kohen] I think in political terms. According to the norms of the tendency toward rightwing extremism, which Shamir and the constrainers [of the peace process] coined, the Labor Party has no choice. In this matter, I differ with Yosi Sarid, and I think that Yosi is the only one of us who continues to bet on Peres. I, incidentally, am betting on Shulamit Aloni.

[Ha'atzni] Incidentally, you and your friends did not peep as long as you hoped to enjoy the action.

[Kohen] You are right to a certain point. It was something that we swallowed, and I am sorry that we did. Afterwards, we sat with a big stomach ache asking ourselves why we did this. I am talking about Sharir of course. But I must say that what caused us not to overly castigate ourselves is the fact that we caught ourselves and retreated from negotiations with Moda'i at the height of the opportunity to form a government.

[Ha'atzni] Nor did you exactly adhere to your principles regarding religious legislation and the depositing of exclusive funds for Agudat Yisra'el.

[Kohen] Regarding religious legislation, I do not agree. We saw the agreement with Agudat Yisra'el, and it did not contain anything serious. True, regarding the injection of funds, we had the feeling that Peres and Beilin filled the religious with promises of money. We knew nothing of the details and facts. It could be that it was comfortable for us somewhere, but we had the feeling that the responsibility was on the leader. Do not forget that there was also a feeling that, if we succeeded, we would be able to establish a government of justice and truth.

[Ha'atzni] Where does idea of establishing a united leftist bloc stand?

[Kohen] The discussions currently express a common mood among all leftist movements and certain friends in the Labor Party, without mentioning names. I feel that, ultimately, none of them will join, but there is now talk of three or four. The reason for the mood is that a very large rift has developed between us and the Labor Party regarding subjects that they think about but are afraid to mention, such as discussions with the PLO and the like. Our awareness is that it is necessary to move in a big way, not merely to acquire another mandate here and there, but to run as an alternative to the government.

[Ha'atzni] Do you that believe running together will add votes for you, or perhaps the opposite?

[Kohen] There are no research indications of that, and this is actually the determining factor for me. However, my intuitions say that running together would bring in more votes from labor voters, distressed social strata who were previously on the right, and the Arab public.

[Ha'atzni] Is the plan still in the discussion phase?

[Kohen] We are in the non-committal dialogue phase. There are no negotiations yet. Contrary to published

reports, neither is there any talk of a list of candidates. The only thing that is clear is that, under the present conditions, the first three would be RATZ, MAPAM, and Shinuy. There is a desire in principle to move forward among Knesset members in the other parties, aside from Virshovsky's reservation. However, there is still opposition here and there.

[Ha'atzni] Much has been said to the effect that the government of the right would bring about the flourishing of recalcitrance. articles have even been published on the subject, among others, by Yosi Sarid.

[Kohen] I do not know what will happen. It is necessary to wait and see what policy Arens will form and how the settlers in the territories will respond. If it is true that the new defense minister intends—because of the inclinations of his heart or a desire for flexibility—to emphasize human motives in the behavior of the IDF [Israel Defense Forces] in the territories, it is probable that it will even be easier despite the recalcitrance, and then my forecast and that of Yosi Sarid would turn out to be mistaken. Also, I have not discerned any change among reserve personnel who have called me between the period of the previous government and the present. However, on the other hand, Arens also cannot bring about a peace process. Thus, to the extent that the policy does not come near to ending the conflict, recalcitrance will increase. From this standpoint, I have no doubt that the phenomenon is on the verge of an expansion. I would even say a dangerous expansion.

Agriculture Ministry Views Water Control in West Bank

[Public service announcement by the Ministry of Agriculture]

[Text] The Ministry of Agriculture Presents: Israel - A Land and its Significance The Question of Water - Dry Facts

Water is an extremely scarce resource in Israel. Actually, it is the factor limiting the future development of the state. Today, the known sources of supply are being fully utilized and in certain cases there is even dangerous excess utilization. The state's sources of natural supply are divided into three:

- the drainage area of the Jordan river,
- two underground geological structures called equipers—the mountain equipper (the Yarkon-Tninin equipper) and,
- the coastal equipper.

The latter two structures serve as a kind of underground catch basin for underground water and contain approximately 60 percent of the state's water supply. The water collected in them is affected directly and indirectly by civil and ecological activity in Judaea and Samaria, both in terms of quantity and quality.

Physical Repercussions

Uncontrolled pumping and/or the flow of sewage and unplanned refuse in the regions of Judaea and Samaria is likely to cause a reduction in the salination as well as the pollution of the underground water accumulated in the equippers. Relinquishing the control over the western extremities of Judaea and Samaria means a situation in which the fate of the national water administration will be subject to the mercy of the Arab governmental element in these regions, should they be evacuated by Israel.

Any utilization or pollution of the equippers (particularly the mountain equiper) by future Palestinian authorities will lead, according to the principle of connected vessels, to immediate, harmful, and significant impact upon the Israeli water sources, in light of the critical shortage of legal water today. This is while Israel controls all available sources of supply. Evacuation of Judaea and Samaria or the concession of a significant portion of water sources is likely to leave the state in a desperate situation.

It is important to emphasize that this existential danger can be created even without any malicious intent on the part of the Arab government in Judaea and Samaria. It can arise in the same degree of severity from administrative incompetence of the local authorities, lack of professional knowledge, or just a lack of awareness or caring. In any event, regardless of motives or reasons, the State of Israel is likely to be faced with irreparable damage to the water administration, its most vital resource. This is a situation that can pose a question to the continued existence of the state, in the most tangible way possible.

Political Repercussions

The decisive issue which must be considered in any political solution regarding the future of Judaea and Samaria is the definitive question of who will have the final authority to decide on controversial matters. This subject is rendered more potent in the context of water sources, because any future Palestinian entity, whether sovereign or autonomous, will be almost solely dependent upon the water sources that Israel is also critically dependent upon on a daily basis.

The close mutual dependence and the severe shortage further emphasize the severity of the problem of authority in the context of water. In these conditions, even if it is possible to locate an honest and credible Palestinian as a partner to an agreement, the very allocation of such a vital and lacking resource will create a situation in which disputes will be almost inevitable.

Who will have the last word regarding the location of drilling and pumping sites? In terms of the amount of water pumped from them without causing irreparable damage to the underground water reservoirs? In terms of the sites for establishing polluting industries within the areas evacuated by Israel? In the event of controversy,

who will force his will upon who? How can Israel secure its vital interests without forcing impossible limitations upon the Palestinians' freedom of action to determine their local affairs? Conversely, how is it possible to grant the Palestinians freedom to take care of their legitimate local interests without drastically endangering Israel's vital interests?

Moreover, even if it were possible to solve all of the disputes - as unreasonable as this appears - and a fragile compromise was indeed achieved, then the future of Israel would be absolutely dependent not only upon the honoring of the compromise agreement by the Palestinian partner who signed it, but also upon the honoring of the agreement by any potential successor.

Of course, the many radical elements which will undoubtedly object to any accord with Israel, together with the socio-economic difficulties that will be put before any future Palestinian government, greatly increase the chance of the demise of the original regime and its replacement by another regime, hostile to Israel, which will almost certainly deny any compromise agreement. It would be entirely unreasonable that such a successive government would honor a compromise agreement so vital to the continued existence of Israel when the agreement, in effect, constitutes the very grounds for the fall of the previous regime!

Finally, relinquishment of control over Judaea and Samaria will leave Israel without any legal, moral, or actual means to prevent the return of approximately one million Palestinians currently living as refugees in the Arab countries that surround it, whether this is done of their own free will or via a forced "transfer" by the "host" states. Such a tremendous wave of hapless people will create impossible pressure on the water, sewage, and refuse systems, which are inadequate in any case, and will further endanger the fate of Israel's fragile and vulnerable source of life.

It is difficult to imagine a political solution that will guarantee Israel's existence without requiring continued absolute Israeli control over the water and the sewage systems, together with the accompanying infrastructures, which are vital to the continued operation, maintenance, and accessibility of these systems (including the electricity supply and the roads system).

THIS IS AN IMPORTANT ISSUE THAT IS WORTHY OF CONTEMPLATION, ESPECIALLY FOR THOSE WHO DEEM OBLIGATORY ISRAELI CONCESSIONS IN JUDAEA AND SAMARIA, BUT ARE ALSO COMMITTED TO AN INDEPENDENT AND VIABLE STATE FOR THE JEWS IN THEIR HOMELAND. IT IS IMPORTANT TO UNDERSTAND THAT THE DEMAND FOR CONTINUED ISRAELI CONTROL OF JUDAEA AND SAMARIA HAS A RATIONAL BASIS WHICH DERIVES FROM LOGICAL CONSIDERATIONS AND A HEALTHY DESIRE FOR EXISTENCE.

Presented as a public service by the Ministry of Agriculture

Plants Encouraged To Burn Coal

90AE0223B Tel Aviv HADASHOT in Hebrew
10 Jul 90 p 20

[Article by Merav Arlozorov]

[Text] The new coal terminal at Ashdod began to supply coal to the Rotenberg power station in Ashqelon in preparation for the station's activation in several months. The construction of the terminal cost \$38 million, and the system for supplying coal to the station cost \$80 million. Ran Karol, the general director of the Coal Company, reported that the company is encouraging factories to switch to using coal. To that end, the Coal Company is promising to link the price of coal to the price of crude oil. Israel is holding contacts with China, the Soviet Union, Poland, and Indonesia regarding the importation of coal.

Construction of the coal terminal began in 1987 after a committee headed by Arnon Gafni preferred the option of unloading coal at the Port of Ashdod (pier 9) and the construction of a coal terminal at Ashdod from which coal is transferred to the power station in Ashqelon over the option of building a coal pier at Ashqelon (similar to the one at Hadera), or expanding the Port of Ashdod northward by building coal unloading and handling facilities. Construction of the terminal was completed several months ago, and it is now beginning to supply coal to the Rotenberg station.

The terminal features storage space for 650,000 tons of coal and a coal unloading rate of 4,000 tons per hour. The terminal is designed to supply 2.5 million tons of coal per year to the Rotenberg station and another several hundred thousand tons to industry. The cost of transporting a ton of coal from the Port of Ashdod via the terminal to the Rotenberg station is eight dollars per ton. According to Karol, this cost is low by any international standard, and it is lower than estimates that were made before the terminal was constructed.

Karol estimates the industrial coal market at about one million tons per year. At present only the Phosphates, Argaman, Tetbit, and Nesher factories consume coal.

KUWAIT**Financial Institutions Adjusting in Wake of Invasion**

90AE0282B London AL-SHARQ AL-AWSAT in Arabic
28 Aug 90 p 9

[Article by 'Aqabah 'Ali Salih]

[Text] London—The decisions to freeze Kuwaiti deposits and accounts after Iraq's invasion of Kuwait and the accompanying collapse of stock and share prices

in international stock exchanges and financial markets are placing Kuwait's international investments in a difficult position. This, despite the stable, long-range nature of Kuwaiti investments and the fact that they do not depend on speculation in international stock exchanges to realize earnings.

However, as is the case in all crises, business people are moving to protect their investments and limit their losses in numerous ways. First, they can convert their capital from stocks and shares into monetary liquidity, especially into the more stable currencies, which permits them to avoid sharp, unforeseen fluctuations linked with political and military factors outside the sphere of economic analysis.

Second, investors are maintaining a constant balance in the contents of their portfolios, regarding either the ratio between stocks and shares, or the nature of the companies in whose shares they invest. Many companies, such as automotive, plastics, electronics companies, are suffering more than others as a result of the gulf crisis. Whereas other companies can exploit the crisis to increase their profits, as oil companies and the arms industry are doing for example.

Third, as was the case in all previous major crises, investors move toward what is called "shelter value," i.e., investments that entail the lowest degree of risk, prime examples of which are gold and real estate.

Within this scope, each investor's degree of flexibility becomes a decisive factor in his ability to curtail his losses and avoid the dissolution of his capital. The freezing of Kuwaiti investments worldwide is resulting in the loss of this flexibility. Given that Kuwaiti investments are estimated to total between \$80 billion and \$200 billion, the approximately 25-percent decline in the indices of all international stock exchanges means that these investments stand to lose a quarter of their value in one fell swoop, i.e., between \$20 billion and \$50 billion. These losses could increase further if share prices continue to decline, as is expected if tensions in the gulf continue or escalate.

The measures approved by authorities in Western countries to ease the constraints entailed by the freeze are limited to individual investors, some private companies and banks, and the Kuwaiti Investment Office. These measures grant the concerned parties a minimum of flexibility, such as permitting them to issue sale and purchase orders in international markets, provided that all assets of their portfolios are maintained within each country and, sometimes, in a limited number of Western stock exchanges. However, the concerned parties are not permitted to convert these assets into monetary liquidity or take them out of the market. In order to issue such orders, they must obtain the approval of the Western countries' central banks, which then request clarifications from Kuwaiti investors as to the reasons for their financial operations. Only some banks have obtained the right to liquefy a portion of their portfolios, provided

that such liquefaction is intended to defray debts or the salaries and wages of their employees. To date, the freeze measures remain unclear, and they are causing confusion among numerous Western financial organizations, which do not have adequate answers to their clients' questions regarding the freezing of Kuwaiti deposits and assets.

The Bank Contagion

Actually, Kuwaiti banks and financial organizations whose capital is made up of a large share of Kuwaiti funds are the most damaged by the freeze measures. The Gulf International Bank, one of the most important offshore banks in Bahrain, is now in an extraordinary position. Kuwait and Iraq each own about a 15-percent share in it, while Saudi Arabia, the United Arab Emirates, Bahrain, and Qatar own the rest of its capital; its deposits total about \$10 billion. Although it continues to meet its ordinary commitments, it is not repaying its "deferred deposits" on time, and its administration has been compelled to increase its monetary liquidity. Thus, it has sold bonds and bills of exchange worth \$1.4 billion, including about \$0.5 billion in bills of exchange for loans made to Latin America, which has led to a noticeable decline in secondary markets in the value of Mexico's loans, which are sold in "swap" operations.

However, since last year, the Gulf International Bank has been establishing large provisions to cover debts whose collection is doubtful, which has given it a greater margin for movement than the Arab Banking Corporation, which covered only 40 percent of its \$1.8 billion in loans to the Third World.

The value of the corporation's shares in the Bahrain market declined from \$14.75 to \$10.5 per share.

The conditions of these banks also affect other banks that have a share in their capital. A question is now being raised about the fate of the Arab and International Investment Bank [Banque Arabe et Internationale d'Investissement (BAII)], which had been scheduled to acquire a 30-percent share of the capital of the Gulf International Bank as part of a capital redistribution operation being undertaken by the French Banque National de Paris [National Bank of Paris], which had purchased all of the shares previously. The BNP's plan stipulated its retention of 51 percent of the shares and the distribution of the remaining 49 percent to five Arab organizations. It is noteworthy that the refusal by Kuwaiti banks to participate in increasing BAII's capital after BAII's exposure to financial difficulties is what pushed BAII into BNP's embrace.

Although the UBAF-Paris [Union de Banques Arabes et Francaises-Paris] banking group has established large provisions to cover its bad debts—especially those of Iraq, which stopped loan payments a long time ago, even though the Iraqi, governmental al-Rafidayn Bank has a 15-percent share in UBAF's capital (Kuwait's share is about three percent) and is thus one of UBAF's most important Arab contributors—the freeze process will

affect the capital plan of UBAF-Paris to expand the field of its activities, and it will exacerbate the crisis between UBAF and Iraq. There are also numerous questions about the fate of the Kuwaiti Arab Bank. Three Kuwaiti banks and the French CIC [as published] financial group have shares in the capital of the Kuwaiti Arab Bank, which last winter authorized a plan after it had been exposed to a severe crisis that almost pushed it into bankruptcy. Despite numerous attempts by AL-SHARQ AL-AWSAT, the bank's French administration has refused to provide any clarifications regarding its true circumstances at present.

Losses—Between Account Ledgers and Reality

During a tour of Europe, before going to the OPEC conference in Vienna, Kuwaiti Finance Minister 'Ali al-Khalifah al-Sabah tried to calm all those who deal with Kuwaiti banks. He emphasized in a press conference in London that "the government and the Kuwaiti Investment Office will hasten to save any Kuwaiti bank that is exposed to a liquidity shortage or to any other financial difficulty." He also encouraged Kuwaiti banks to coordinate their international activities.

He indicated that the Kuwaiti Government and the Investment Office do not suffer from a liquidity shortage that is pushing them to sell a portion of Kuwait's international assets, especially in light of the large drop in share prices in all international stock exchanges. The Kuwaiti minister instead maintains that the success of Kuwaiti investments is to be attributed to the fact that they move in the opposite direction of the markets. According to his view, this is not the time to sell. Rather, the current collapse in share prices bears the stamp of irrationality and is a very propitious opportunity to buy in financial markets.

It cannot be stressed enough that the decline in shares prices on international stock exchanges does not necessarily constitute a true loss to shareholders. Rather, in the short term, the loss is merely an accounting loss. In other words, the accounting value of assets is that which has declined. Real loss will not appear unless shares are sold for less than their purchase price. As for the medium-term and long-term, the retention of shares at lower prices for a number of months requires investors to transfer their ledger values to their annual accounts, which compels them to cover them.

LEBANON

Fadlallah Comments on Islamic State

90AE0343B Amman *AL-LIWA'* in Arabic
22 Aug 90 p 7

[Article: "No Islamic Republic in Lebanon for These Reasons"]

[Text] Scholar Shaykh Muhammad Husayn Fadlallah has said that no Islamic republic will be established in

Lebanon until the region is transformed into an Islamic republic and until Palestine is transformed into an Islamic republic. An Islamic republic may or may not be then established in Lebanon because the issue is not the issue of the presence of sectarian diversity in Lebanon but of the fact that Lebanon continues to represent an international equation as strong as an international equation can be in this world.

In a press interview, Scholar Fadlallah said: In the political reality, the Lebanese regime with which we are not satisfied is stronger than all the Arab regimes, despite the tremors it has experienced. We notice that what has fallen in the past 15 years are the details, not the system. This is why nobody has considered establishing an Islamic republic, nobody has made preparations for establishing an Islamic republic in Ba'labakk, in the suburb, in the south, or in West Beirut. Shaykh Fadlallah asserted that the problem is that Islam is projected in Lebanon and in many parts of the western arena as a religion that moves within the sectarian circle as if it were a tribal Islam or an Islam whose followers move on the basis that they belong to Muslim fathers, live in Islamic countries, and exercise Islamic traditions and rites. A Muslim may be an atheist and a Muslim may move in secular or non-secular directions. Muslim activists [harakiyun], both Shi'ite and Sunna, consider Islam as revealed by God to His prophet a religion that embraces the divine philosophy as it embraces worship rites, and embraces in life a civil law that encompasses all aspects of life.

Thus, Islam can project itself in its civilian circle that concerns the shari'ah which represents Islamic jurisprudence. This jurisprudence is connected with every aspect, regardless of how minor, of people's life. The plan was to present Islam as an alternative to all the other projections. The plan was to project it to the Christians, to the Muslims, and to the secularists to think of it on the basis that it is not a sectarian condition but an intellectual, spiritual, civilian, and political condition that encompasses all aspects of life. Islamic jurisprudence is a witness to this comprehensive Islamic nature.

SUDAN

System of Direct Democracy Promoted Over Representative

90AA0315A Khartoum *AL-INQADH AL-WATANI* in Arabic 13 Aug 90 p 5

[Interview with 'Awad al-Karim Musa 'Abd-al-Latif, member of the secretariat of the Department of Peace and Foreign Affairs, by Fath-al-Rahman al-Nahhas: "Awad al-Karim Presents a Plea Against Multiparty and Single-Party Systems"; place and date not given]

[Text] Our political exploration of the points of view in the conference on a political system continues. Today we make an intellectual journey with Professor 'Awad al-Karim Musa 'Abd-al-Latif, a member of the secretariat

of the Department of Peace and Foreign Affairs. He speaks to us in this tour about the shape of the anticipated political system.

'Awad al-Karim Musa is a thinker with a broad outlook. He deals with politics quietly. The words he utters bespeak a wide horizon. The patriotic concern on his face reflects a special kind of love for the Sudan and its people.

He is also in love with political and intellectual freedom. He sees in them the firm foundation on which to build a proud country not affected by instability or beset by conflicts.

The following question provided the point of entry into the conversation:

[Al-Nahhas] We are disputing with each other about a plurality or a single [party]. What do you think is the system most appropriate for the Sudan?

[Awad al-Karim] In my view, people will make an enormous mistake if they try to arrive at a system that takes its features from both the single party and a plurality of parties. People think there are essential differences between the unitary and the pluralistic systems. In reality, both start from common ground in the idea of a representative mediator between the people and the government. The party institution is a representative institution; the legislative bodies that it secretes are representative institutions; the executive apparatus is an indirect representative institution.

The idea of the representative mediator is the fundamental error in any party system, whether pluralistic or unitary. In the tradition of political thought, "democracy is government of the people, by the people, for the benefit of the people." Both kinds of party system rule the people not for the benefit of the people, but for the benefit of political, economic, and social forces that the party system represents.

The stronger and more extensive the representative mediator, the more distant the people become from exercising authority and the more undemocratic the system.

The people must rule by means of the people themselves so that the benefit of the people will be realized.

I do not insist on a particular formula to diminish the representative mediator between the people and the government. However, I am from a school of thought that has been calling for direct popular democracy ever since independence, on the basis that representative democracy is a more developed stage than monarchy, but less developed than popular democracy.

There are three forms of democracy in political thought:

- 1. Direct democracy,
- 2. Quasi-direct democracy, of which plebiscite is a form,

• 3. Indirect and representative democracy.

We must look for a formula that will realize a direct democracy in which the people virtually become their own ruler. Thus, the ruler will become the ruled, and guardians and mediators will be abolished, regardless of whether they are a single party, multiple parties, a military regime, or a civilian dictatorship. The best guardians over the people are those who strive to hand over authority to the people. We have praised the initiative of this conference because it is providing an opportunity that is occurring for the first time in the history of the Sudan—an opportunity for the people of the Sudan to sit down to choose the political system that will realize their desire. Never in its history did the Sudan choose a multiparty system. It was forced upon it by colonialism. Neither did it choose a single party. That was forced upon it by military dictatorships.

I am for any system that makes the people in their basic population unit of the local community (*hayy*) gather to decide about public or local policy and then gives their decision implementation and influence. Any system in which there are mediators whom the people choose in a traditional electoral process to speak in the name of the people and decide the people's destiny, whether the formula be a single party or many parties, I consider to be a counterfeit of democracy.

[Al-Nahhas] How can popular democracy be realized?

[Awad al-Karim] We must make all technical and administrative experience obedient to helping the people in its fundamental base make decisions. We must mobilize all our information media, all our intellectual forums, every channel to spread political consciousness, and every practice to deepen political education. We must employ all these things to help the people make an integrated decision that can be implemented. No other body must have any authority, except to carry out the people's decision.

There are two conditions for popular democracy:

The first condition is full political freedom. This people does not simply like freedom; it is in love with it to the point of infatuation. Any political system in which any individual in the people does not have the right to speak his opinion about any high state policy or the ability to criticize any government official, even the head of state, with responsible and constructive freedom that rejects a proposed option and presents an objective alternative—any system in which this is not realized is an undemocratic system, whatever its slogans and however well-intentioned it may be.

The second condition is that no political organization can realize political freedom and practice democracy unless it is accompanied by economic freedom. A needy person is not free. Whoever is needy is a prisoner of his need. There is no freedom when there is need.

The Imam Abu-Hanifah said: "One does not seek advice from someone who has no flour in his house." One who does not have strength for himself is not free and cannot be expected to practice popular participation. Every individual in the society must find enough to live on, or else he will lack freedom. On this point, I believe that realizing a minimum sufficiency to live on in our society today is possible.

National income in our country is not distributed justly. A small minority monopolizes the lion's share of wealth. Neither the people nor the government own the wealth; it is owned by parasitic classes that carry on unproductive commercial and banking activity. If only it were productive investment activity!

Education is class-determined; health services are class-determined; housing is class-determined; transportation is class-determined.

This is a situation unacceptable to Islam and the human conscience. Islam does not permit enormous disparity in incomes. It does not permit class stratification. On the question of distribution of wealth, the Koran [59:7] says: "So that it [viz. booty] does not concentrate in the hands of those who are rich among you." And the Prophet says: "If a believer spends the night hungry, no one has any wealth." In other words, providing a sufficiency on which the mass of citizens can live is a precondition, before differences of wealth can be allowed.

We must proclaim the slogan, "Make the Sudanese equals in poverty, so that they can become equals in wealth."

The just Imam 'Umar Ibn-'Abd-al-Khattab [as published] clarified the foundation for this and the rule of life that is valid in straightened circumstances at every time and in every place. He said: "I am eager to satisfy every need; but if we cannot, we will share our daily bread equally."

Islam obliges the state to intervene to reapportion the wealth. The Prophet, may God bless him and give him peace, divided the booty taken from the Banu Nadir among the [Meccan] emigrants, rather than the [Medinese] helpers, in order to achieve social justice.

These two conditions—political freedom and enough to live on—are the foundation of popular democracy. Without them, any experiment becomes a counterfeit of popular democracy and a misleading of the people. A one-party system and a multiparty system are the same in this. The government that hands over authority and wealth to the people, so that they can be their own ruler and own their own wealth, is the government that deserves the people's respect and the approval of history.

[Al-Nahhas] Some say that the fundamental guarantee of political and intellectual freedom is a multiparty system.

[Awad al-Karim] No; I believe—indeed, I am almost certain—that a multiparty system in itself suppresses freedoms. It deprives the people of a basic right—its

right to rule itself without mediator. Any party, sect, or class that denies authority to the people strips the people of its most specific freedom, the freedom to participate in government.

[Al-Nahhas] Couldn't popular democracy be expected to become a door to political and intellectual anarchy?

['Awad al-Karim] Popular democracy is not anarchical activity. It is an activity that has its institutions, its means, and its laws. The real anarchy is what we witnessed in the practice of political parties in past parliamentary experiments.

Popular democracy is an ordered daily practice. It is not moments of tempestuous popular revolution. Even so, were the people engaged in anarchic activity during the October revolution and the April uprising?

We want popular democracy to be a revolutionary action. However, it does not have the rush of revolutionary change that occurs at widely separated periods of history.

TUNISIA

Strategy for Financial Market Reforms Described

90AA0293A Tunis *LA PRESSE DE TUNISIE* in French 16 Jul 90 p 5

[Text] Over its first two decades of activity, the Stock Exchange, made up of the issue market and the exchange business, did not record encouraging results for the financial community as a whole, including the government, issuing banks and companies (which need long-term funds), and market subscribers and operators. This was the general view of Mohamed Ghannouchi, minister of economy and finance, expressed in a recent speech.

In terms of economic categories, overall issues (shares and bonds) represent an average 18 percent of the FBCF [expansion unknown]. Equipment bonds alone comprise an average 60 percent of all issues and their share of investment financing is about 12 percent. Over the first two decades, savings diverted by the exchange represented an average 1 percent of all bank deposits, proving that the exchange has not succeeded in turning savings into financial investments. As far as savers are concerned, investments are generally not very liquid (1-percent rate of liquidity, measured by the ratio of securities traded on the exchange versus securities issued by companies) and scarcely profitable: At best, the market's rate of return during the first two decades, from 1969 to 1989, is an average 7 percent (on the permanent market), a rate similar to the average rate of inflation or even less.

Calculation of this rate incorporated dividends actually paid out and capital gains, as well as the average price of allotment and subscription fees, if applicable. Consequently, the small saver buying transferrable securities

(minority shareholders in corporations and poorly protected by existing legislation) is at a complete disadvantage compared with savers in other competing sectors.

In addition, he said, the exchange is affected by the financial environment. Only 1 out of every 100 corporations is listed on the permanent market. This permanent market, which should normally reflect the efficiency of a stock market, capitalizes only an average 20 percent of all Stock Exchange transactions. The rest is handled on the spot market, which is nothing more than a market of certification or the surrender of blocks or concentrated operations rather than a market in the real sense of the term, with transparency and individual participants.

With respect to the role of financial middleman, since brokers, most of whom are bankers, have been confronted with a relatively unattractive and unprofitable product, commercially speaking, they have for the most part ignored the function. Nor have taxes and interest rate trends helped the situation any.

It was in order to remedy these weaknesses that the government, convinced of the role to be played by the money market in financing investments (particularly since we are moving from an economy of indebtedness to an economy of participation), opted to reform the money market and pull it out of its lethargy. Given this new perspective, the various partners and participants in the financial market in general and the Stock Exchange more specifically were to improve their structures in order to enable their machinery to function better. For that purpose, three main guidelines were defined in terms of reform so as to improve the operation of the various tools at work on the financial market: 1) the establishment of a suitable legal framework; 2) the institution of suitable host structures; and 3) the creation of mechanisms needed for proper operation.

Suitable Legal Framework

Given the legal vacuum in legislation concerning the organization of and relations between the various partners involved in the financial market, a series of laws and regulations were drawn up so as to create a legal framework adapted to the evolution of the different economic, stock exchange, and political factors existing in the country. This concern for modernizing the legal structure should result in an updating of old legislation in order to enable it to help professionals work with transparency and uniformity.

Regulation of Financial Market

International experts view Tunisia as one of the countries in the Third World and the Arab region having a modern legal apparatus that is both protective and in accordance with international recommendations on the financial market.

At the present time, legislation regulating the money market contributes to its development. It is designed to

improve the market's liquidity, profitability, security, and integrity, provided all partners (enterprises, banks, and investors) agree to play by the rules.

Improving liquidity: In order to increase the circulation of securities and stimulate stock market transactions, legislation governing the financial market in Tunisia has for the first time made a distinction between the closed family-type corporation and open companies publicly trying to attract savings.

Likewise, when a company gains access to one of the markets officially listed, it can under certain conditions buy its own shares. The organization, institution of new methods of quotations, and increased frequency of quotation enable investors in stocks and shares to have improved liquidity of securities acquired on the market.

Existing legislation enables middlemen on the Stock Exchange to act in their own behalf and act as "runners."

This specialization, combined with the institution of a contract of liquidity, on the one hand, and the launching of SICAV's [variable capital investment companies] and common funds, on the other, would improve Stock Exchange liquidity.

Improvement of Stock Exchange profitability: Given the fact that the profitability of a security results from a combination of several elements directly or indirectly involved in the determination of Stock Exchange profitability, the result is that new regulations exempt revenue from capital securities or certificates of indebtedness from the IRVM [tax on income from dividends and interest].

Likewise, certain listed companies that reserve part of their capital for public participation enjoy a 50-percent reduction in the rate of the tax on profits, which is reduced to 17.5 instead of the customary 35 percent.

Moreover, the 8 January 1990 order from the minister of planning and finance setting rates and terms of payment of returns on Stock Exchange transactions and other operations carried out by the Stock Exchange has instituted a degressive system of remuneration benefiting investors that is very attractive compared with rates applied in the past.

The new rates reduce the commission by three-fourths, particularly with respect to the permanent quotation, and set its ceiling at 10,000 dinars, regardless of the amount.

Improvement in Exchange Security and Protection of Market Integrity

As a result of the reform, the exchange was entrusted with the mission and prerogatives of securities commissions, to wit:

Ensuring the protection and security of savings invested in stocks and shares. This protection is achieved through controls and on-the-spot investigations that the exchange

conducts into all documents or information published in order to preserve its reliability, on the one hand, and ensure the ethics of any financial investment process, on the other.

Improved security is manifested on the issue market and the exchange business.

Concerning the primary market: The role of the exchange in protecting and defending the interests of savers after the issuance of shares or debenture loans is manifested in the verification of pronouncements contained in issuing prospectuses. Before publication, such prospectuses must obtain the approval of the exchange, which may require modification of statements made or an explanation of them. It may refuse its approval if the company does not conform to its wishes.

The exchange attends all general assemblies on an equal footing with any shareholder in order to be informed and possibly inform debenture holders about the posted performance of the managerial administration of companies issuing bonds. The exchange ensures compliance with the clauses of the issuing contract by issuing companies, particularly with respect to returns, benefits granted, amortization, and final payment of loans.

In addition, the exchange gives its opinion when SICAF and SICAV investment companies are set up and continues to oversee them throughout their operations.

Concerning the secondary market: The security of the financial market is also manifested in the oversight and control of permanent information. All regulations reflect special interest in bookkeeping and financial information and subject all limited liability companies in the country to the requirement of providing the exchange with any resolutions and management reports once a year. For companies listed and those attracting public investment, the publication of trustworthy, continuous information whose reliability and transparency is ensured by the exchange is required.

In addition, to better study and promote the sector, exchange officials have deemed it useful to set up a permanent structure called the Accounting Standards Committee (CNC).

This is a permanent advisory organ that fulfills an advisory function for the Exchange Council. It is made up of four members chosen by the exchange president: two professional chartered accountants, one university professor, and one exchange official.

Among its duties, the CNC assists the exchange in drafting suitable financial and accounting information for companies listed on the exchange and those wishing to attract public savings. It also helps the exchange in the application of effective supervision by: defining a threshold of significance for accounting information and a threshold of efficiency of auditors; and instituting a system designed to protect listed companies against any inadequate, complacent control.

The improvement in exchange security is also manifested at the time of introduction and for the duration of the companies' term on one of the permanent listing markets.

In sum, control of information and its prompt dissemination are the attributes of the new regulations, which are the top priority of exchange authorities. The second priority is articulated around the organization of the profession and the establishment of operations and mechanisms.

Operation of Exchange Mechanisms

The General Stock Exchange Regulations promulgated in January 1990 codify the new rules under which the exchange operates and essentially spell out means of protecting savings value by setting forth new obligations to be met by companies quoted: the obligation to choose approved auditors, publish six-month reports under the responsibility of the board of directors, conform to accounting rules accepted by the exchange, and provide timely information that might affect prices.

Along with its general regulations, the exchange drafted a guide to admission and introduction to the different permanently listed markets dealing with all procedures and rules inherent in matters of admission and introduction.

In addition, wide-ranging action has been undertaken mainly aimed at: reforming market work and operation of the market through the introduction of new methods of quotation (multiplicity of rates and sessions, definition of a system of rapid, efficient, guaranteed regulation and delivery); and reorganization and rehabilitation of the permanent listing, opting solely for high-performance, transparent companies.

Implementation of Reform

In order to help professionals and participants in the financial market bring about the reform, the exchange has tried since 1 January 1990 to introduce the application of new regulations by stages. Thus it is that practically all forms and physical support needed to launch the exchange were worked out at several levels:

On the primary market: control and supervision of all issuing operations, whatever their nature; drafting of instructions and preparation of a sample issuing prospectus; and exchange approval for all issuances.

On the secondary market: the drafting of documents needed by front and back offices; the drafting of preliminary floor regulations; computerization of basic documents needed for quotation; setting up of the quotation room and the supplying of adequate operating equipment; and the organization of different workshops on the new quoting procedure to help agents and broker proxies.

Concerning admissions and introductions: In addition to the guide for admission, the exchange has drawn up: admission questionnaires for capital securities; admission questionnaires for certificates of indebtedness; a procedural guide to the financial study of companies to

be admitted; instructions on the prospectus for the security's admission to permanent listing; and a sample admission prospectus.

Nevertheless, the political determination, regulation, and establishment of spaces necessary for operation of the exchange would remain limited in scope if every part of the financial community were not involved in the reform process.

The establishment of a particularly attractive and suitable legal and institutional framework as described above must be designed to induce other partners directly involved in the process of stimulating the financial market to bring about financial reform.

On this level, financial institutions have a leading role to play. The effort of banks aimed at developing the financial market must tend toward the achievement of two [sic] strategic objectives: the establishment of variable-capital investment companies (SICAV); the banks' fulfillment of applications expressed by the surrender of shares held by them in the best performers; and the assignment of a package designed to acquire circumstantial bids on the market in order to support SICAV's and ensure their continuing liquidity.

In fact, the role played by SICAV's in mobilizing securities saving no longer has to be demonstrated. This is all the more true since the tax system for this category of OPCVM's (Stocks and Shares Collective Investment Organizations) is particularly attractive.

Banks must demonstrate more initiative in launching the first SICAV whose success would in fact have a domino effect on the sector.

Success of the SICAV's, which is nearly assured, could force the banks to set up a support fund that would be used to handle any possible lack of liquidity, particularly at the outset.

On another level, banks holding significant stock in the most dynamic and high-performance companies must have the courage to turn over a portion of it to the widest possible range of the public.

However, along this same line of ideas, banks must be more aggressive in persuading big companies to participate in the exchange. This is all the more true since banks hold significant amounts of stock in such companies.

On this level, banks can conclude a kind of "liquidity contract" with the most profitable enterprises in order to ensure the regular rotation of securities introduced.

The public's acquisition of securities with attractive yields and the assurance of a liquid market will have a definite impact on making investment savings profitable, stimulating the exchange market and ensuring the success of the financial reform undertaken by the government.

AFGHANISTAN

Mujahidin Destroy 13 Tanks, Several Jet Fighters

90AS0441B Peshawar *THE FRONTIER POST*
in English 12 Aug 90 p 2

[Text] The mujahideen destroyed 13 tanks and armoured personnel carriers (APCs) during a military operation along Kabul—Parwan highway, recently. This was stated by a source to MIDIA [MEDIA INFORMATION DEPARTMENT OF ISLAMIC AFGHANISTAN].

The mujahideen also raided the Military Academy and the Shah Mohammad Khan fort, the same day, destroying at least three tanks and six APCs.

Similarly, the Bagram Air Base came under the attack of the mujahideen. In the attack which took place from Kotal-e-Chakari, in Parwan province, seven trucks and one tank were smashed. The ensuing explosions which were visible from long distances, lasted for four hours. The airport had received direct hits, reported an eyewitness.

In retaliatory bombing by Kabul regime bombers, four civilians died in the nearby villages and two others were wounded.

In another report, it was reported that the other day security posts in the Chahar Asiab district came under mujahideen's attack. This resulted in death to eight soldiers and destruction of two posts. Ten soldiers give up to the mujahideen with their arms.

Meanwhile, mujahideen damaged a number of Communist regime's jet fighters and exploded an ammunition depot, when they attacked Bagram airport with Sakker-20 long range rockets, Commander Maulvi Jalaluddin reported to MIDIA from Kohi Safi district of Parwan province.

The sound of the explosion was heard from a long distance at 7 a.m., the same day. Tens of officers, militiamen and soldiers were also killed as a result of the explosions.

In retaliation, Kabul bombers bombed mujahideen's positions in Kohi Safi district of the said province, martyring two mujahideen on the spot, the report concluded.

According to another report, mujahideen launched an operation on Communist regime's posts in Qalai Adam Khan area near the Ghazni city, destroying one post, killing 11 regime's servicemen and injuring 15 others, early last week.

Mujahideen in an ambush in Moshakan village of the said province killed six Communist officers and soldiers and injured three others, the same day. Mujahideen also captured all foodstuff of the regime's forces, the report concluded.

Mujahidin Down Kabul Aircraft

90AS0441D Peshawar *THE FRONTIER POST*
in English 13 Aug 90 p 3

[Text] Afghan mujahideen are reported to have shot down a transport military aircraft of the Afghan army and killed 15 people aboard while it was landing at Khost airport, F.P. correspondent reported from Miranshah while quoting mujahideen sources on Sunday.

Mujahideen belonging to Hezbe-Islami (Hakmetyar) fired a Sukkur-20 missile hitting the aircraft which was trying to land at Khost airport at 3 am Saturday night.

Mujahid Commander Shot Dead

90AS0441C Peshawar *THE FRONTIER POST* in English 13 Aug 90 p 3

[Text] Some unidentified people ambushed and killed Hadir Khan, a mujahideen commander of National Islamic Front of Afghanistan along with his son Bahi Khan here at Warsak Road on Saturday night.

They were going back to their home after meeting the party chief Pir Syed Ahmed Gillani. Police has registered a case and is investigating.

INDIA

Government Efforts To Revamp Public Sector Lauded

90AS0347A Madras *DINAMANI* in Tamil
14 Aug 90 p 6

[Editorial: "Revising Public Sector Business Set-up"]

[Text] Prime Minister V. P. Singh has spelled out his National Front Government's determination to revamp public sector undertakings—the so-called White Elephants. He addressed a conference of the chief executives on such undertakings. Frankly acknowledging the sorry state of affairs within the units, he not only delineated the measures needed to correct the situation, but also added a note of warning—a welcome move.

He pointed out that public sector undertakings make a net profit of only 250 million rupees for an investment of some 350 billion rupees. And he noted ruefully that only 60 percent of the public sector units are utilizing 75 percent of their potential and that one-fifth of them are not utilizing even one half of their productive capacities. He also noted that a South Korean steel plant of the same scale as an Indian steel plant produces a lot more than the Indian counterpart. As may be seen, the Indian productive output is low and the costs high; and the quality of the product is poor and the products themselves overpriced.

He reflected a correct attitude when he told the conference that in order to bring about a complete transformation of the public sector he felt an urgent need to change

the very atmosphere in which it is functioning. The prime minister emphasized that private sector enterprises need more freedom for fast action, encouragement to act boldly, protection from censures in the event of errors and relief from procedural delays. In turn, the chief executives called for the removal of government controls and bureaucratic quagmires in order to raise productivity and reduce costs. In short, these undertakings need to escape from governmental grip and operate with more autonomy.

As a result of bureaucratic controls many of these public sector units have been appearing for months as "headless oddities." Political considerations seem to have come into play in the appointment of chief executives for these units. Public sector undertakings can function efficiently only if the current state of affairs changes and the government becomes much less dominant. A proposal to cut down public sector guidelines from 800 to 100 is laudable. It will help lessen governmental interference.

In order to increase public sector output, the government is planning on entering into agreements with 120 to 130 units, making them autonomous. The units will be obligated to attain set targets. The units can work out their own ways and means to achieve that end. There will be no governmental interference. It is expected that this arrangement will produce good results.

The aim of public sector undertakings should be to improve productivity, increase profits, and thereby help the national exchequer. The alternative will be to retire public sector planning altogether. This warning from the prime minister can be believed to produce the desired result.

Industry Minister Ajit Singh announced that the government has decided to permit public sector units to raise capital through the sale of shares to the public. This is indicative of a major change in government policy. This will be advantageous when the share market becomes bullish. It is not clear whether this will apply only to profit-making units or to all units. Further details in this connection will be watched with interest by investors.

Commentary Views Reservation, Social Justice

90AS0347B *Madras DINAMANI* in Tamil
12 Aug 90 pp 1, 8

[Article by K. Kasturi Rangan]

[Text] A recommendation of the Mandal Commission that has been an electioneering cliche of political parties over a decade has now been transformed into a list of achievements of the National Front Government. Through the reservation of 27 percent of central government jobs to the backward classes, the National Front Government has fulfilled one of its major election promises. This is certainly laudable.

Although reservation of seats has been accorded to untouchable (Harijan) and tribal communities over four

decades since independence, they are still in the same down-trodden state, steeped further in poverty.

Reservation Cannot Bring Progress

It is obvious you cannot bring progress to the down-trodden merely through the system of reservation of seats. You need to augment agriculture and cottage industries in rural areas. There must be a significant increase in the number of industrial jobs. Until the country's economy improves and job opportunities multiply reservation of seats will mean nothing more than a rationing of available jobs. As a result, fighting and bickering among the various communities become unavoidable, as we have been witnessing.

However, everyone will agree that the Harijan and tribal communities must continue to have the protection of reservation of seats until their economic condition improves significantly.

One will also agree that among the backward classes too there are very many who are at the bottom rung economically, educationally, and socially. It is on this basis that reservation of seats and other such concessions both in government work places and in educational institutions are being provided to backward classes in Tamil Nadu and other southern states. Given the situation as it is now, the granting of these concessions is unavoidable. So, we welcome the move reserving 27 percent of jobs in central government offices and public sector undertakings to backward classes as recommended by the Mandal Commission.

Removal of Inequities

However, as we commented in a DINAMANI edition on an earlier occasion, we will not be able to achieve fully the goal of social justice unless we cleanse today's system of reservation of seats of certain drawbacks.

To mention the main drawback—there are in the listed category of backward classes several that are progressing economically and educationally. In the process, they are taking away job opportunities from the more backward among themselves. There are many well-to-do families within the backward communities. One finds among them government ministers, IAS [Indian Administrative Service] officials, prominent industrialists and the like. So, granting them reservation of seats merely on the basis of their castes will not mean dispensing social justice. It is here that the fixing of ceilings on income becomes a necessity. The central government seems to have realized this. We do not understand why the chief minister of Tamil Nadu is concerned that the fixing of income ceilings and the granting of reservation of seats to the very poor families among the advanced classes will negate social justice.

Economic inequalities are not factors restricted to backward classes vis-a-vis forward classes solely based on caste considerations. One finds among all classes of people very well-to-do families and families that do not

have even basic opportunities. It is common knowledge that especially in rural areas the poor have very few job or educational opportunities regardless of what caste they belong to.

So, while welcoming the decision of the central government in implementing the recommendation of the Mandal Commission in regard to reservation of seats, many political parties have underscored the need to remove inequities in reserving seats on the basis of caste alone. They see fairness in setting income limits in well-to-do families qualifying for reservation of seats even if they belong to the backward classes and granting the concession to the less-fortunate families despite the fact that they may belong to the forward classes.

Issues Still Unclear

There are still several issues left unclear in Prime Minister V. P. Singh's announcement. The announcement refers only to jobs in government and public sector undertakings. It is not clear whether the 27 percent reservation of seats will apply to backward classes in regard to educational institutions. There are certain backward communities that have not been included in the lists provided by the Mandal Commission and State Governments. It will not be politically expedient to deny them reservation of seats. There is no doubt that these communities will press their claim for inclusion in the list.

The only way to rid society of caste differences is to transfer slowly the system of seat reservations from its caste underpinning to an economic underpinning. Also, the need for the reservation of seats will slowly fade away if in open competitions the oppressed and backward communities obtain job and educational opportunities on the basis of their population strength. Only then will our land blossom into a caste-free society.

Bihar: Commentary Views Rivers, Forest Mismanagement

90P40148A New Delhi DINMAN TIMES in Hindi
12-18 Aug 90 p 8

[Article by Kiran Dwivedi: "Changing Landscape Due to Deforestation and Polluted Rivers—Water Resources Mismanagement Resulting in Backwardness in Farming and Death-inflicting Floods"]

[Excerpts] Bihar State is backward in agriculture inspite of being one of the best endowed with water resources. Water is not available for every field. Yet, at the same time, extensive damage also occurs due to floods. There is an annual loss of lives and materials. There is a dearth of irrigation equipment. The total area of Bihar is 1,73,877 square km. Of this, about 17,33,74 square km is under the waters of big rivers. Rivers whose water expanse is greater than 20 thousand square km are considered to be large rivers.

The problem with the rivers is that their pollution is increasing. There were dense forests on the banks of many of these rivers at one time. Over time, trees were getting cut, but no new trees were planted. This resulted in soil erosion. This also caused losses in agriculture. Mining is also affecting the ecology adversely. Domestic sewage and industrial waste has polluted the waters of many rivers. The Damodar River has already become an "industrial gutter."

There are 14 large rivers in the country. Of these, the Ganges is the largest and the Suvarnarekha is the smallest. Bihar shares in their waters. In addition, there are the Mahanadi and Brahmani rivers also. [passage omitted] If water pollution and soil erosion is to be controlled in this region, then at least two thirds of this area will have to be afforested.

The entire Suvarnarekha area is bestowed with mineral wealth. Mining and mineral related industries are developing fast in this area. In ancient times, this area was clothed in dense forests and it is possible that lotuses were blooming in the slow waters. It is referred to as "Kumudavati" [bearer of lotuses] in ancient literature. The calm, secluded, and clean waters of one time which were laden with lotuses and hidden in the jungles, have been drowned in the explosions of dynamite and in the loud noises of earth cutting machines. The mining is done in an unplanned manner here. The full exploitation of the mines seems to be the only goal. No one seems to care about the harm caused to the environment in the process.

There are mines of copper, iron, uranium, gold, vanadium, chromide, apatite, asbestos, chinaclay, lime, dolomite, and talc in this area. In addition, there are also many quarries from where rock for building construction is dug out in large quantities. There are uranium mines in Jaduguda. This is an extremely radioactive mineral, but its mining is done with great carelessness. There are no safeguards for the laborers' health or to protect them from being exposed to radiation. There is the danger of radio-pollution of rivers and ground water from the piles of radioactive ore in the rainy season. In heavy rains some of it can flow right into the river and pollute it.

In the Suvarnarekha area, [passage omitted] Ranchi and Jamshedpur are two towns with more than a lakh residents. There are two towns with populations between 50,000 to one lakh and 21 with 5,000 to 50,000 people. The combined water consumption of Ranchi, Singhbhum, and Hazaribagh districts is 4,23,500 cubic meters and 2,52,652 cubic meters of domestic waste is produced. Some of it ends up in the river affecting the quality of its waters.

The Ganges divides Bihar into northern and southern halves by flowing approximately in the middle crosswise. [passage omitted] The river is voluminous here since many tributaries such as Sone, Kosi, Punpun, Gandak, Burhi Gandak, Ghaghra, and Phalgu flow into it. The river Damodar, which is also a tributary, does not meet

the Ganges in Bihar. [passage omitted] This river flows from Palamu district from the southeast and passes through the industrial towns and coal mines of Bokaro, Dhanbad, and Jharia. As a result it is completely black at certain points, and is known as the "industrial gutter." In Bokaro and Dhanbad alone, there are 46 various industrial units functioning on this river's bank and 29 of these use coal. From these industries, poisonous and polluting waste is often allowed to mix into the river without being treated. In many places along its course, it is the only source of water and yet, cyanide, phenyl tar, and thiophenes can be found in the water in great amounts.

Bihar is backward in agriculture inspite of being one of the states with the best water resources because, to date, no scientific planning of river utilization has been done here. Consequently, there is a dearth of irrigation facilities. It is of course impossible to keep the rivers totally free of pollution, but at least an effort could be made to keep them up at minimally acceptable standards.

IRAN

Commentary Analyzes U.S. Oil Strategy in Persian Gulf

90AS0341C Tehran JOMHURI-YE ESLAMI in Persian
23 Jul 90 pp 2, 9

[Text] "World dependency on crude oil from the Persian Gulf region countries will increase by 30 percent by the year 2000. The supply of oil will keep pace with the increase in demand. As a result of an increase in the quota and the revenues of the countries of the Persian Gulf region, the strained circumstances of the 1970's will not be repeated for the Western countries as far as oil is concerned. Furthermore, the plan of the major oil-producing countries of the Persian Gulf region towards expansion of production, similar to the status of Venezuela, will lead to an equalization of pressure in the direction of an increase in the price of oil."

The above statement is part of a report prepared by the U.S. National Information Council for the Department of Energy. (Footnote 1) (Global Alert periodical: 25 June 1990)

The crude oil exports of Iran, Iraq, Kuwait, Saudi Arabia, and the United Arab Emirates will reach 17.1 million barrels a day by 1995, and will increase to 19.9 million barrels per day by the year 2000.

In the 1990's decade there will be a great chance of involvement of oil-importing companies in certain unfair oil trade, and this is an issue of particular significance to the United States.

Part of the speech of the United States Ambassador to the United Arab Emirates on 1 May 1990. (Footnote 2) (METS [expansion unknown] periodical: 7 May 1990)

Reading between the lines of the above statements, one can deduce important points about the future of the oil market and the role of the Persian Gulf countries, particularly that of Iran, Saudi Arabia, Kuwait, the United Arab Emirates, and Iraq and the United States' strategy in this regard.

The oil market will face a major transformation during the second half of the 1990's decade; this will come about as a result of the decrease in production because of the depletion of the existing oil resources of the oil-producing countries, while consumption of crude oil will increase during the same period. In the meantime, the five countries of the Persian Gulf region [namely: Iran, the United Arab Emirates, Iraq, Kuwait, and Saudi Arabia] and Venezuela outside the Persian Gulf region would seem to have a promising future with regard to the longevity of the oil reserves and volume of production. Since after the great oil crises of the early part of the 1970's the major oil potentials have been recognized and duly exploited; however, the oil consuming countries are not expecting to see any major transformation in this regard.

Clearly, the United States and the Western world have greatly placed their reliance on the role of Saudi Arabia, Kuwait, and the United Arab Emirates in securing the needs of the crude oil importers, and the main American strategy is to align these three countries in OPEC with regard to quota and production power so as to prevent any kind of crisis similar to that of the early 1970's. Particularly, since the Islamic Republic of Iran is also one of the five aforementioned countries, any kind of power increase in the oil market by Iran will run contrary to the interests of the Western world. Furthermore, the Western world is not yet ready to give Iraq an official significant recognition, unless that country can win over the confidence of the West more than ever before.

The long-term strategy of the United States' objective aims at increasing the power of the three afore-named countries in OPEC. In this instance, Saudi Arabia enjoys a high degree of production power and significant quota in OPEC, thus under present conditions, or still better to say from a while ago, the increase in quota for Kuwait and the United Arab Emirates have been dealt with as a very important and are a regular subject on the agenda of OPEC.

The peculiar status of these three countries as the main protectors of the oil strategy of the West in OPEC was reflected in the report by the United States National Information Council entitled: "Increase of quota and the Interests of the Persian Gulf Countries in the Economy of the Western Nations," to which one can also add an intense political dependency as well. In recent years, Kuwait, the United Arab Emirates, and the Saudi Arabia have alternately taken steps in purchasing shares or gaining partnership in the refineries and other oil distribution networks of the United States and other Western European countries; this posture has particularly changed the status of Kuwait and that of the United

Arab Emirates from a producer of crude oil to a producer and consumer of crude oil. Thus with due regard to the new position of these countries, there has been appreciable decrease in coordination of activities by these countries following OPEC's resolutions. This kind of vacillation will bring about a situation so that in future oil market developments these countries would not act in coordination in order to prevent creation of any great oil crisis for the Western world. Here we must also add the fact that the sources of oil revenue for these countries have been recognized and controlled by the United States and the Western world, thus it might not create any reason for concern.

Hereby, we can briefly summarize the U.S. oil strategy in the Persian Gulf in strengthening the position of Saudi Arabia, Kuwait, and the United Arab Emirates in the oil market through employment of every and all political and technical possibilities.

On the basis of the long-term planning of the United States and the West, the three afore-named countries will shoulder the burden of securing the oil needs of the world for the years after 1995.

Among the three, Saudi Arabia enjoys a peculiar position. This country despite its huge reserves and high production capability, so far has underproduced its capacity. On the contrary, the United Arab Emirates and Kuwait, which have less production capabilities, have always pushed their production to the limit.

Saudi Arabia in the past has claimed that through underproduction it has practically played the role of an equalizer of the oil market, and as a result it has endured certain difficulties. For this reason, Saudi Arabia expects to play the role of the team leader among the three afore-stated countries and thereby make the other two share part of the burden of the problems in securing or controlling the oil market.

Saudi Arabia has so far fallen behind Kuwait and the United Arab Emirates in its activities with regard to the purchasing of refineries and oil product distribution networks in Europe and the United States. Furthermore, there are certain indications which show that the Western world is not too keen on active participation by Saudi Arabia either, since by capturing a reliable consumption market, that country will not be content to play the role of an equalizer of the market any more.

At any rate, the active presence of Kuwait and the United Arab Emirates in various other financial activities has created a status for a still further, stronger participation of these two countries, and contrary to the recent past they won't readily give in to the oil policies of Saudi Arabia or accept its predominance any more. Recognition of this competition between Saudi Arabia and these two countries plainly explains a large number of the recent developments and clashes between the three.

At the present time, Kuwait and the United Arab Emirates are intent on employing technical investment to further increase production and enhance their quotas in OPEC, and in the meantime Saudi Arabia is keen on stabilizing the quota system. This is the long-term status of the two afore-named countries. It seems that whatever position the two countries of Kuwait and the United Arab Emirates take in accepting the subject of a quota increase in future sessions of OPEC is derived from a short-term policy affected by the prevailing circumstances of the oil market.

While Iraq's imposed war against Iran continued, the intense tensions between the two countries had created an atmosphere for the aforementioned three countries to easily follow their oil policies within the framework described above. For instance, although both Kuwait and the United Arab Emirates were positioned on a lower scale with regard to all the standards of the quota system [such as storage capacity, production power, size of population, etc.] than Iran and Iraq, through utilization of the tensions they were able to present themselves as the claimants to the increase in the quota system.

The end of the war on the military front and the possibility of an increase in the production power of the two countries will create a situation whereby the two nations can be positioned in a certain status so as to be able to play their own particular role in the future oil market. This matter [particularly in relationship to Iran] causes concern for the West, and therefore with the end of the war, the long-term follow-up policy of the United States has found new dimensions and a more extensive arena for activity.

It seems that the oil strategy of Iraq and its presence side by side with Saudi Arabia, Kuwait, and the United Arab Emirates strives towards execution of the oil policies of the West in the Persian Gulf region [as was described above]. Iraq, with complete knowledge of the key role of the five aforementioned countries in the future oil market, for the purpose of joining this movement will not desist from applying any possible tactics and threat against the three other nations—even coordinating its endeavors with the oil policies of Iran in the short-term. Naturally, if this regime becomes successful in its long-term objective and stabilizes its role as a key factor in the future oil market, it will have no reason for not following this tactic at all.

Furthermore, it seems that the Iraqi regime with complete awareness of the existing competition between Saudi Arabia on the one hand and Kuwait and the United Arab Emirates on the other would like to utilize the issue as well. The recent harsh verbal attack of Iraq on Kuwait and the United Arab Emirates for their role in creating disruption in the oil market and reducing oil prices, will not only cause that regime to side with Saudi Arabia with regard to the prevailing differences, it also follows the trend of demanding tools and tributes from the rulers of the region as well. If in the past the continuation of the imposed war were a good excuse for

non-payment and receipt of more financial assistance, now the low level of oil prices and the role of some of the region's governments for bringing about such a situation can all be another good excuse for postponing the payment of its debt. Particularly, at a time when the agonies of the war are left behind and a policy of tension day by day creates more problems resulting from the foreign debts, former Arab nations will be less willing to extend financial assistance to Iraq, thus making that regime revert to a policy of threat and demanding of tributes.

What is the Duty of the Islamic Republic of Iran in This Regard?

If what is mentioned so far can be taken as an analytical theory about the future of world oil market and the role of the Persian Gulf region in it, in which further judgment with regard to its correctness or otherwise, needs a more in-depth investigation based on an extensive array of information and statistics, yet the realities of the production reduction by many of the oil-exporting countries in the second half of the 1990's decade together with the predetermined strategy of the Western world and a lack of decrease in production and the longevity of the oil reserves of the five countries of Iran, Saudi Arabia, Kuwait, the United Arab Emirates, and Iraq is undeniable.

The Islamic Republic of Iran, with regard to the major transformations which are going to be faced by the oil market, must recognize its long-term role in this market and act accordingly, although in certain instances a follow-up of those measures might not be beneficial to our short-term interest. Furthermore, it is necessary to consider the short-term and long-term interests of other nations as well. Since superficial and short-term planning of some countries are based on mere simplicity than any other thing. It is clear that diplomatic involvement—within the framework of the Islamic Republic's values—with other countries and the use of various economic and political leverage in its relations with other countries would be beneficial to the long-term interests of the country; on condition that this measure is based on long-term strategies and its separation from superficial tactics employed by certain other countries. Otherwise, a mistake in judgment and hasty decision in determining superficial tactics of others as their main strategy might hamper our measures in various other areas of activity.

It is obvious that securing and executing this kind of comprehensive strategy will need extensive coordination by the regime in recognizing the technical difficulties and marketing of the oil industry and their timely resolution and also a complete grasp of the politico-economic and diplomatic issues as well.

Jannati: Disagreement Among Clergy Not Sign of Disunity

90AS0356B Tehran RESALAT in Persian 30 Jul 90 p 3

[Article entitled, "Ayatollah Jannati's statement to a Meeting of Friday prayer leaders and religious leaders of Bakhtaran province: 'There may be Differences Among the Clergy Over Certain Matters but These Differences do not Prevent Unity.'"]

[Text] "In the same way that the imam was the messenger of unity among the 1 billion Muslims of the world, we also, as his children, should carry out his wishes and lead society towards the imam's goals."

These words were addressed to a gathering of Friday prayer leaders and religious leaders of Bakhtaran province by Ayatollah Jannati, the representative of the vali-ye faqih [the supreme jurisconsult] and the head of the Islamic Propaganda Organization.

According to IRNA, Ayatollah Jannati said, "Shaping the society in its religious and cultural dimensions and in material and spiritual directions is the responsibility of the clergy; in this way will the survival of Islam and the revolution be ensured and the conspiracies of our enemies be nullified."

The head of the Islamic Propaganda Organization addressed the duty of the clergy to inform and advise the people about religious and social issues and said, "The clergy should clarify the fact that although we may differ over certain issues, this does not keep us from uniting."

Jannati then spoke in detail about the election of the assembly of experts, unity in an Islamic society, the manner in which a Muslim deals with the different opinions, ideas, and beliefs that he encounters.

At the conclusion of the meeting, Ayatollah Jannati answered questions put to him by the clergy of Bakhtaran province.

New Regulations Issued for Candidacy to Assembly of Experts

90AS0354A Tehran RESALAT in Persian 28 Jul 90 pp 10, 5

[Text] Qom—RESALAT correspondent: The recent meeting of the Assembly of Experts was held according to the law with the approval of the representatives of the said assembly at the Imam Khomeyni Religious Center and opened the way for many individuals, with the least degree of eligibility for religious practice, to enter the Assembly of Experts. Now with the chance for the theologians of the Council of Guardians to be specifically a source of emulation, one moral excuse has been taken off the shoulders of the expert theologians. Thus, from now on the confirmation of the representatives of this assembly will be carried out in a more complete manner and with better procedures as well.

The above statement was announced by Ayatollah Meshkini, president of the Assembly of Experts and the Friday imam of Qom, at a prayer meeting attended by a large number of people at the public prayer grounds of Qom.

As he discussed the action of the recent session of the Assembly of Experts in the second part of his speech, Meshkini further pointed to the annual meeting and the first article of the Constitution and stated: The experts selected by the public gathered at the Imam Khomeyni Religious Center and first discussed the location for the formation of the annual session and thus certain proposals were put forward which were thereafter approved with a majority of the votes for choosing the Imam Khomeyni Religious Center, "RAH," as the location for holding the last meeting of this term, since according to the regulations, the selection of the location for holding the sessions is left to the discretion of the participants.

With regard to the new conditions for the selection of candidates for the Assembly of Experts he added: After the completion of pre-agenda speeches and considering the end of the present term, the conditions for membership in the Assembly of Experts were put forward for discussion and after proper study and investigation of certain changes, the proposals were approved.

In conclusion, he added: Within the scope of the former regulations, one of the conditions for a candidate to the Assembly of Experts was his complete familiarity with the fundamentals of theology and a track record of study at the great theological centers. Thereby only those individuals could be considered for candidacy who were absolute authorities in theological matters. Thus it seemed something quite difficult to find 90 individuals having the above-stated qualifications. Furthermore, it does not seem to be practical to allow all the religious authorities of Qom to enter the Assembly of Experts as well, therefore, we noticed the shortcoming of the regulations and in the course of a recent meeting of the experts we decided to correct the situation. Concerning the new conditions for the candidates to the Assembly of Experts, he said: With the approval of new regulations, certain mitigating measures were considered for the new members of the Assembly of Experts, therefore the way to this assembly has been left open for many individuals who possess a minimum of theological knowledge.

With regard to the selection of qualified members for the Assembly of Experts, Ayatollah Meshkini stated: The recent session of the assembly chose the six great theologians of Islam who are members of the Council of Guardians for determining the qualifications of the candidates to the Assembly of Experts, since the Constitution has approved the expertise of these six individuals who are also being confirmed by the imam of the nation as well.

He went on to explain the cause for this change, as follows: During the previous term, candidates for the Assembly of Experts would go to the expert theologians to gain their confirmation, and more often than not the

said experts would feel themselves in a kind of moral obligation, and finally through intercession by others the confirmation signature could be acquired.

Personally, on many occasions I have been put in a similar position. Although I've not necessarily confirmed the candidacy of any individual who did not possess the right qualifications, but this time I had made up my mind not to sign any papers regarding confirmation, but any individual at all.

In this regard, he further added: Some of the theological instructors are not fully familiar with the political issues and they themselves admit the fact, but sometimes they confirm the candidacy of certain individuals purely based on their theological knowledge. However, for membership in the Assembly of Experts the mere possession of theological knowledge is not sufficient. Other qualifications such as political acumen, courage, managerial expertise, etc., which are all the ingredients of leadership, should also be possessed by any individual who would seek the membership of the assembly.

He further added: By choosing the theologians of the Council of Guardians as a selecting committee one moral obligation has been lifted off the shoulders of the expert theologians, thus the confirmation and recognition of the qualification of the candidates will be carried out in a more complete manner and with more prestigious procedures.

Although in certain instances the Council of Guardians might seek confirmation by the expert theologians, yet the approval or disapproval of the candidate for the Assembly of Experts will be confirmed by the Council of Guardians. Therefore, any individual who is willing to participate in the future Assembly of Experts should introduce himself to the council of Guardians.

The president of the Assembly of Experts went on to enumerate the significance and position of the Assembly of Experts and that of the Council of Guardians. While pointing to principles 91 and 93 of the Constitution he emphasized the significance and validity of the decisions of the Council of Guardians and said: The six just and knowledgeable individuals who are aware of the requirements of the times, have been selected by the Leadership Council and these individuals are burdened with the duty of safeguarding Islam and the Constitution. The significance of the position of the members of the Council of Guardians will become ever clearer when we consider the fact that if all the representatives of the National Consultative Majles approve something but the six members of the Council of Guardians consider the same as contrary to Islamic law or the Constitution, the votes of the house of representatives will have no bearing on the issue at hand. Since only the sanctioned laws can be enforceable which are confirmed by the Council of Guardians.

He further read a few sentences from the letter of the leader of the nation to the experts and emphasized the significance of the assembly and called the said experts

helpers, counselors, and observers appointed by the leadership, and said: The selected experts are the chosen few from the Islamic nation, and these are great individuals of high morality, knowledgeable in theology, and all are men of piety and virtue. I consider these individuals to be the purest among the nation and hope that the new assembly proves to be so.

The Friday imam of Qom also expressed his sorrow over the clash between the members of the Hezbollah party and Amal Movement of Lebanon and asked the great leader of the Islamic revolution and the religious leaders of Syria, Lebanon, and Iran to take fundamental steps to prevent such skirmishes and to create unity between various Muslim groups.

In the first part of his speech, after inviting everyone to follow the path of virtue and God's guidance, he touched upon the subject of the victory of blood over the sword and the martyrdom of Hoseyn, the son of 'Ali, at Karbala and he discussed the murders committed by the Saudi family.

While mentioning one of the new tricks of the Saudi government, and stressing the necessity of administration and management of the twin holy shrines by religious leaders of the Muslim world, he said: I believe that in this day and age no plot, no regime, no party or affiliation is more detrimental than Wahabism for the world of Islam, therefore it is up to the Muslims to try to come up with a solution.

Refusal To Ban Satanic Verses in England Criticized

*90AS0341D Tehran JOMHURI-YE ESLAMI in Persian
30 Jul 90 p 12*

[Text] According to a decree issued by one of the supreme courts of London, yesterday publication of a book by one of the former employees of Buckingham Palace was prohibited, since the text of this book contains harmful statements concerning the private lives of the members of the British royal family.

According to IRNA, this ban is imposed at a time when the British government with emphasis on the freedom of speech in England until now has ignored the plea of the Muslim communities for banning the publication of the "Satanic Verses" which insults the fundamental beliefs of all the world Moslems.

Furthermore, AGENCE FRANCE-PRESSE reports from London: Queen Elizabeth previously had acquired the necessary ban for non-print and publication of a portion of this book in the PARIS MATCH magazine, and it is for this reason that eight pages of that magazine which contained such information were deleted.

In addition, the Supreme Court has not allowed Malcolm Barker to publish and distribute his book "Disaster at Court" in other countries as well.

Furthermore, the Supreme Court of London in addition to banning Barker from publishing his book, has also prohibited the publication and distribution of the same by the Canadian publisher, Fleetwood of Halifax.

Here it should be noted that 20,000 copies of the book "Disaster at Court" have previously been printed and distributed in the United States and Canada.

Malcolm Barker, the author of the afore-stated book who worked at Buckingham Palace from 1980 to 1983 as a superintendent, describes a few private scenes of the British royal family and their employees.

For this reason Queen Elizabeth's lawyers have stated: All the employees of the royal palace at the time of employment will sign an affidavit to the effect that they should not divulge their observation of the goings-on at the royal court to other people after they leave their job at the palace.

Need To Participate in Global Economic Affairs Stressed

*90AS0341A Tehran NAMEH-YE IRAN in Persian
25 Jul 90 pp 1, 2*

[Text] The Islamic Republic's delegation which had been dispatched to the IMF meeting and that of the World Bank, yesterday presented a report regarding the result of its trip at the seminar which had been held by the Monetary and Banking Research Institute.

During this seminar, Dr. 'Adeli, director general of the Central Bank, after presenting a brief background history of the activities of the IMF stated: One must look at the IMF as a forum for the exchange of opinion and making of decisions with regard to the economy of the countries of the world.

While pointing to the selection of Iran as a team leader, 'Adeli expressed great appreciation for the success of the mission of the Iranian delegation at this meeting. He further touched upon the fact that in the developing countries, during last year the rate of inflation reached close to 104 percent, while at the same time the rate of inflation in Iran decreased to about 17 percent. He went on to discuss the role of the financial resources of the countries in the executive mechanism of the IMF, and defended the plan for an increase of the Iranian share in the said fund.

In conclusion, the director general of the Central Bank stated that Iran cannot obtain valuable information regarding the status of the world economy without attending the international economic sessions. He went on to emphasize the fact that in order to obtain proper information and the deserved rights, Iran must participate in the international economic forums.

Thereafter, Masud Moza'yani, deputy director general of the Central Bank's International Affairs Office, gave a speech entitled: "A Panoramic View of the World Economy" and stated: We did not have any talks concerning

securing of a loan from the International Bank and the delegations who had come to Iran on behalf of the IMF had merely been here for the usual annual consultations alone.

'Adeli, while pointing out the fact that the special delegations from the International Bank and that of the IMF had not visited Iran for more than 10 years, stated that their visit can be considered as a positive step for the exchange of information with regard to the economic developments of the Islamic Republic. The director general of the Central Bank also added: With regard to the executive duties of the International Bank, we have had general discussions concerning the projects of the five-year plan; however, there has not been any specific decision regarding the securing of financial assistance for these projects from the International Bank.

Trade Agreements Signed With Four Soviet Muslim Republics

90AS0341A Tehran *JOMHURI-YE ESLAMI* in Persian
16 Jul 90 p 3

[Text] Fifteen commercial cooperation barter agreements were signed between the leading governmental export company of Khorasan and four Soviet Muslim Republics.

Mr. Mohammad Hasan Solhdust, managing director of the Khorasan Export Company, who had recently traveled at the head of a trade delegation to the republics of Tajikistan, Uzbekistan, Turkmenistan, and Soviet Azerbaijan, yesterday morning in an interview with an IRNA correspondent made the aforesigned announcement.

While indicating the fact that the parties to the aforementioned agreements had expressed a desire for such merchandises as: construction materials, industrial goods, automobiles and automotive parts, industrial machinery, food and weaving industries, and other small rural-related industries, he said: These goods will be bartered with industrial raw materials including various types of steel, chemical agents and fertilizers, agricultural products, tractors, fabrics, and chinaware.

He further stated: In the discussions regarding the aforesigned agreements, the participating delegations also expressed an interest in joint cooperation in the area of quarry stones, design and printing of fabrics, shoe production, creation of mosaic plants, and joint investment in advanced technologies.

He went on to say that during the month of September some trade exhibitions will be set up in the cities of: Dushanbeh, Tashkent, Baku, and Eshq'abad by the Export Company of Khorasan.

He further added: The preliminary work on the creation of two permanent stores for the sale of industrial and agricultural products of our country in the cities of Dushanbeh and Eshq'abad has been already carried out.

He also emphasized that the parties to the agreements had expressed their willingness for the exchange of tourist and other cultural cooperation such as: Exchange of artistic troupes and historically documentary movies. These exchanges will of course lead to further economic activities between the parties to the agreements.

He went on to say that in the agreements signed with the officials of the Republic of Turkmenistan, certain talks had taken place with emphasis on easing up the custom-house procedures in such areas as: Sarakhs, Lotfabad, and Bajgeeran.

In conclusion, Mr. Solhdust added: The details pertaining to the quantity and volume of the contents of these agreements with regard to the bartering of goods will be resolved during the trade delegations' trip to our country.

Here it should be noted that the Executive Export Company of Korasan Province was founded in 1366 [21 March 1987-20 March 1988] with the participation of four banks, private and governmental productive companies, and the rural cooperative unions, with the objective of exporting industrial and agricultural goods of the province and also securing a portion of the needs of Korasan through the import of necessary goods. The initial capital stood at 100 million rials, however at present the working capital stands at about 257.8 million rials.

Foundation Takes Over Asia Stocking Company

90AS0356A Tehran *RESALAT* in Persian
31 Jul 90 pp 1, 11

[Article entitled, "The Asia Stocking Company (Formerly Starlight) has been Given to the Foundation for the Affairs of the Self-Sacrificing Devotees."]

[Text] The managers and new members of the board of directors of the Asia Stocking Company will receive their directives from the Foundation for the Affairs of the Self-Sacrificing Devotees [Bonyad-e Mostaz'afan va Janbazan] and they will soon be starting work in the unit.

Economics Division—Following the withdrawal of Mr. Hadi Ghaffari from the chairmanship of the Asia Stocking Company (formerly Starlight), an order was issued allocating 100 percent of the shares of the company to the Foundation for the Affairs of the Self-Sacrificing Devotees. During the years 1364 and 1365 [21 March 1985-20 March 1987], 50 percent of the company's shares had been given free of cost to the Al-Hadi Foundation and the other 50 percent bought at a trifling price in 1368 [21 March 1989-20 March 1990].

According to RESALAT's economic reporter, in the interest of attending to the affairs of the weak and the self-sacrificing, an order issued by the leadership office has returned the Asia Stocking company to the Foundation for the Affairs of the Self-Sacrificing Devotees from which it had been separated.

According to the report, the stocking company's managers and the new members of the company's board of directors will receive their orders from the foundation, and they will be starting work in the near future. According to the new orders, Mr. 'Ayuz-Khani (present managing director of the Qerqereh Ziba Company [Beautiful Spool Company]) has been named in the new orders as the managing director of the stocking company.

Our economics reporter went to the stocking factory yesterday to garner public information, but the present managing director, Mr. 'Ali Ghaffari, told the security office over the telephone that "I have no patience for such matters and tell them to go away, I am busy." He thus refused to talk to our reporter.

In a short statement to our reporter given over the telephone, Mr. Gholam'abbas Zare', undersecretary of the industries and mines division of the Foundation for the Self-Sacrificing Devotees, said, "In view of the fact that the foundation has 30 large weaving units which prepare the primary materials, we estimate that the stocking factory's production capacity with the utilization of these primary materials will reach its maximum in the future."

He further stated, "By utilizing the experience of the managers who have been working with textiles for long periods of time, it will be possible to raise the quality of stockings produced by the factory. Also, by increasing the quality and quantity of the products, the wages of the workers will rise through increased profit-sharing without an increase in the price of stockings."

Mr. Mohammad 'Amadi, a worker at the Asia stocking factory who was employed at the unit for 18 years, upon learning of our correspondent's presence at the factory yesterday morning, said during a conversation, "During the last few weeks when the order to return the factory to the Foundation for the Self-Sacrificing Devotees was received, certain property belonging to the factory has been removed."

The employee was for two years the head of the Islamic Work Council of the Asia stocking factory and, up to a few days ago, represented the council in the classification committee. He added, "A severe reduction in the company's customary cash and accounts, removal of the Siemens 2000 ampere high voltage key mechanism and 44 number telephone switchboard, the sale of five buses and the advance sale of enormous amounts of the company's products are part of the transfers which took place in the company during the last few weeks." He noted, "As the company's new managers have not started work as yet and the 16-day summer holidays will be starting on 10/5/69 [1 August 1990], there is need for serious effort. Hence, members of the factory's Islamic Work Council issued an announcement on Thursday, 4 Mordad 1369 [26 July 1990], which was posted on the information board, requesting the heads of various departments of the factory, especially the accounting and security sections, to inform the council when material

was to be removed. The announcement was violently opposed by the managing directors of the company, Messrs. 'Ali Ghaffari and Fuladi, and led finally to my dismissal."

In response to the question, "Why did the council announcement cause your dismissal" he answered, "After the announcement was issued, Mr. Fuladi, one of the company managers, reprimanded me; and although the announcement was issued by all the members of the council, he accused me of being the real instigator. He then ordered the factory's security office to prevent me from entering the factory. I was first relieved of my responsibility as the head of the factory electrical division shift and finally, on Monday (yesterday), I received a letter of dismissal from Mr. 'Ali Ghaffari, the managing director, saying, "We no longer require your services, and you are no longer employed in the company as of 8/5/69 [30 July 1990]. Please refer to the personnel office to settle your accounts." Also, all members of the council are forbidden to leave during working hours." He noted, "Sometime ago, it was decided that 500 million rials worth of stockings should be allocated and sent free of charge to the Al-Hadi Foundation; this was opposed by the individual in charge. As a result, he was transferred to another post."

He said, "Because of the transfers which have taken place or are going to take place, the workers intended to take certain actions; but the factory's Islamic council, because of certain considerations, asked them to refrain from any action; and they have announced their readiness to cooperate in every way with the Foundation for the Affairs of the Self-Sacrificing Devotees in the running of the factory."

It should be noted here that the Asia Stocking Factory's gross profit in 1368 alone was approximately 2,800 million rials.

University Research Programs Detailed

90AS0402A Tehran RESALAT in Persian 6 Aug 90 p 4

[Text] Science Division—On the occasion of 16 Mordad [7 August], the anniversary of the formation of the University Jihad [crusade], the cultural division of this organization published a report detailing the important activities of this institution during 1368 [21 March 1989-20 March 1990].

Based on this report, the University Jihad consists of two main divisions, the plan and research division and the cultural division. The cultural division, which consists of five units, conducted politico-ideological training classes. Also, there have been 3,627 instances of video training sessions.

Holding memorization, concepts and recitation of the Koran contests among the brother and sister students. Conducting a theater festival for students from all across the country. Story writing and story telling contests. Holding the poetry and literature congress. Conducting

calligraphy contests, editorial writing contests, speeches and speech making techniques, 1,098 instances of extra-curricular activities, and 10,538 instances of publication projects are among the other activities conducted by this institution.

In the plan and research division of the University Jihad—formed for the purpose of strengthening and encouraging the spirit of research and knowledge, blossoming hidden talents of academicians as well as the people, realization of principles and opportunities for research and, also, expansion of scientific and industrial research and the study of results in order to alleviate the needs of the society—192 projects have been investigated of which 86 have been granted final approval. Among these, 26 projects were deemed qualified and received the final approval of the ultimate council [as published]. An approximate budget of 25 million tomans was allocated for these projects.

In another part of this report, the outstanding projects were listed as follows:

- Electrical Branch: High-power laboratory projects and programmable systems by the Science and Industry Jihad. A digital automatic internal telephone center project by the Khajeh-Nasir Jihad.
- Materials and Metallurgy Branch: The project of electrical purification of steel and swirled cast iron by the Tehran Jihad.
- Chemical Engineering Branch: Synthesis of ringed poly-amides (collar polymerization) by the Amir Kabir Jihad. Technical and economic study for production of Strontium Carbonate by the Research Center.
- Reconstruction Branch: Ship's-haul analysis by utilizing super-almans [? as published] by the Sharif Jihad. Dynamic analysis of circular and gravity dams project by the Amir Kabir Jihad.
- Mechanical Branch: Absorption systems and soft Pistachios by the Mashhad Jihad. Mechanical components by the Tehran Jihad.
- Plant Medicine Branch: Anti-bacterial effect of some plants' extracts.
- Farming Branch: The study of the effects of planting mixed varieties of soya—in varied concentrations—in quality, revenue, and components of revenue [as published] by the Mashhad Jihad.
- Botanical Branch: The study of methods to boost the non-quality increase in the number of walnut trees (the Tehran Jihad).
- The cultivation and farming project for the Spirolina Algae (8067-111) by the University Jihad of Martyr Beheshti with a budget of 9,528,760 Rials for 18 months.
- The project of determining the total time in the children of the city of Tehran (8099-111) by the Central Office with a budget of 1,238,000 rials for eight months.
- The project for the study of plant coverage in connection with the geomorphology units (8113-111) by the

Tehran Jihad with a budget of 172,000 rials for 11 months.

- The project for design and manufacturing meshes [as published] (8091-111) by the University Jihad of Martyr Beheshti and with a budget of 530,000 rials for four months.
- The project for the study of cultivation and farming of Donlila Algae (8061-111) by the University Jihad of Martyr Beheshti with a budget of 470,000 rials for five months.
- Photography improvement project with emphasis on color and black and white development (8116-111) by the Tehran University Jihad and a budget of 2,040,000 rials for 10 months.
- The project for study and evaluation of laboratory methods (8098-111) by the Central Office with a budget of 910,000 rials for nine months.
- The project for the design and manufacturing of an infra-red indicator (8063-111) by the University Jihad of Martyr Beheshti with a budget of 2,611,600 rials for 11 months.

Also, the Plan and Research division of the University Jihad of Martyr Beheshti's Medical Sciences published the report of its activities. These projects are as follows:

- Large research/reconstruction projects
- Laboratory activators
- Other medical science projects

The large research/reconstruction branch has three projects. The medical diagnostic activators branch has 28 completed projects—presently undergoing half and full concentration production. Also, research on nine projects have been completed and 19 projects are presently being implemented.

Also, in various other branches of medical sciences research projects, three projects have been conducted in the areas of nutrition sciences and medical research.

Caspian Sea Continues To Advance Inland

90AS04430 London KEYHAN in Persian
30 Aug 90 p 4

[Text] The rising waters of the Mazandaran Sea have submerged dry areas of part of the coastal area of this sea. In some coastal areas, the water of the Caspian Sea has encroached on 100 meters of coastal land, and in some places the water has risen 90 centimeters.

According to a report from Astara, following heavy seasonal rains in this port city as well as other coastal locations, the waters of the Caspian Sea rose an unprecedented amount, almost to the Sarab River, causing extensive damage to industrial and fishing industries, villas, and coastal residences. At a point close to Astara the water pressure from the sea broke down a sand seawall, and in some of these areas the water penetrated up to 100 meters.

Experts on sea affairs believe that the waters of the Caspian Sea will continue to rise in the future and it is expected that this gradual advance of water will threaten a significant part of the coastal installations, residential houses, pastures, villas, and recreational facilities on the Caspian littoral. One oceanographer said that although the advance of the waters of the Caspian Sea is occurring for various reasons, the dumping of water from the open seas into this sea through the construction of numerous canals in the Soviet Union played a major role in raising the water level in this sea.

Six Passenger Airplanes Purchased From Holland

90AS0402D Tehran *RESALAT* in Persian
7 Aug 90 p 11

[Text] News Division: The purchase of 21 passenger planes for the Aviation Organization of the Islamic Republic of Iran have been forecast in the national economic expansion plan. Engineer Seyyed Hasan Shafti, the managing director of the Islamic Republic of Iran Aviation, in a press conference announced this news and said: These 21 airplanes have been designated only to fill the place of obsolete airplanes used in domestic routes and are not for the expansion of national aviation.

He added: The purchased planes are of the F-100 type manufactured by Fokker, the Dutch aviation manufacturer. He continued: Based on the recommendation of the Aviation Organization of the Islamic Republic of Iran, six of these planes have already been purchased from (Dutch) Fokker.

Engineer Shafti referred to the characteristics of Fokker's F-100 which is a small plane capable of short range flights. It has two jet engines and has 108 seats. He said: Technologically, these planes are considered to be the latest generation of modern planes in the world. They possess advanced navigation and flight systems and, compare to other planes in their class, have a lower fuel consumption rate.

He pointed out that the planes will be delivered in two month intervals and expressed hope that, according to plans, these planes will be utilized in the flight network as of this year's winter. He considered this a step toward expansion of the national aviation system and an access to new technology in the field of transportation, which had not been introduced to the country during the past several years.

Murder, Kidnapping, Rape of Children Reported in Qom

90AS0341F Tehran *JOMHURI-YE ESLAMI* in Persian
31 Jul 90 p 4

[Text] The occurrence of several horrible crimes during recent weeks in the city of blood and revolt, particularly the murder of people in daylight, kidnapping, rape of children and little girls has created many doubts in the

minds of the faithful inhabitants of Qom, and one fears that this uncertainty might lead to a feeling of insecurity as well.

In this regard the responsibility of the disciplinary organizations and the judicial authorities seems to be quite sensitive and vital. Likewise, tardiness and hesitancy in dealing with these occurrences decisively can lead to quite unwholesome results which will definitely require further power and possibilities.

Since the executive authorities have stated that the perpetrators of the afore-stated crimes have been arrested, and thus the disciplinary forces have carried out their duties with the help of providence, now it is imperative for the judicial system of the country to issue a proper verdict, taking into consideration the fact that such criminal acts can disrupt the security of the city and they should know that the only effective means for combatting this situation is the rapidity of action and right now this objective can be reached through the formation of a special trial court.

Any delay or hesitation at such times will not be acceptable from any individual or authority, and such tardiness will be answerable both to the people and God as well. Certainly, our judicial authorities have not forgotten the people's appreciation for their decisive and rapid action in dealing with the perpetrators of the Agricultural Bank of Hamadan crime and they now have the opportunity to repeat the example once more.

Rapist in Qom To Be Paraded, Beheaded

90AS0341E Tehran *JOMHURI-YE ESLAMI* in Persian
4 Aug 90 p 4

[Text] Qom—*JOMHURI-YE ESLAMI* correspondent: A kidnapper of children and rapist was sentenced to death in Qom.

According to our correspondent, following a series of horrible crimes in the holy city of blood and revolt and the arrest of the perpetrator, the public prosecutor of Qom in an interview with our correspondent said: An individual who has a proven criminal record named Hamid Abnus, 19 years of age who is a resident of Qom, has been kidnapping small girls and raping them and so far he has confessed to eight counts of rape. The death sentence for this individual was issued by Criminal Court Number One of Qom and the verdict has been forwarded to the Supreme Court for confirmation. Since this dossier was attended to out of turn, during the coming days, after confirmation by the Supreme Court the sentence will be carried out.

He also went on to state: With regard to the execution of the verdict we are trying to obtain proper permission from the judicial authorities so as to carry out the execution by beheading. Clearly, for the purpose of making an example of this individual after parading him through the city he will be executed.

Likewise, the public prosecutor of Qom with regard to the punishment of the perpetrators of the crimes of

Amin-e Qom Boulevard, stated: The trial of those individuals will be held out of turn and based on the decision of the survivors of the victims the verdicts will be duly issued.

The said report goes on to add: In the commitment of certain crimes such as the ones similar to the Amin-e

Qom Boulevard which threaten the general security of the city, based on the decision of the survivors of the victims who often pardon such criminals and thus let them go unpunished, one cannot decisively prevent future commitment of such crimes and such criminals will always threaten public security.

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